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ABSTRACT

This book comprises papers delivered at a conference of National Experts on Migration. The principle objective of the conference was twofold: to examine significant trends that will affect the future of migration in countries in the Organization for Economic Co-operation and Development (OCED), and to identify the relevant issues that will have to be faced in the design of future migration policies. The book is divided into an introductory section and three additional sections. The following papers (and authors) comprise the first section, "The Conference: Introduction, Summaries and Conclusions": (1) "Introduction to the Conference" (Jean-Claude Paye); (2) "Summaries by the General Rapporteurs" (Reginald Appleyard and Nermin Abadan-Unat); and (3) "Chairman's Conclusions" (Pierre Laroque). Part I, "Long-Term Aspects of International Migration Flows," contains: (1) three papers under the heading of The Experience in the Main Geographical Areas: "European Receiving Countries" (Denis Maillat), "European Sending Countries" (Heiko Korner), and "Non-European Receiving Countries" (Freda Hawkins); (2) "Demographic Trends and International Migration" (Antonio Golini and Corrado Bonifazi); and (3) "The Implications of Growing Economic Interdependence" (Sidney Weintraub and Chandler Stolp). Part II, "Resident Populations of Migrant Origin," contains the following papers: (1) "The Labor Market Position of Migrants in Selected European Receiving Countries" (Hans Heijke); (2) "Migrants and the Labour Market: The Australian Evidence" (Glenn Withers); and (3) "The Integration of Migrants: Experiences, Concepts, and Policies" (Tomas Hammar and Yngve Georg Lithman). Part III, "Changing Patterns of Migration in Southern Europe," contain the following papers: (1) "Migration in Southern Europe: An Overview" (Gildas Simon); and (2) three papers under the heading The New Destinations: "The Oil-Producing Countries of the Middle East" (Maurice Allefresde), "Illegal Immigration to Italy" (Claudio Calvaruso), and "Illegal Immigration to Greece" (Sotiris Soulis). Some of the papers present data on tables and graphs and provide references. (BJV)

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THE FUTURE OF MIGRATION

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THE FUTURE OF MIGRATION

ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

Pursuant to article 1 of the Convention signed in Paris on 14th December, 1960, and which came into force on 30th September, 1961, the Organisation for Economic Co-operation and Development (OECD) shall promote policies designed:

- to achieve the highest sustainable economic growth and employment and a rising standard of living in Member countries, while maintaining financial stability, and thus to contribute to the development of the world economy;
- to contribute to sound economic expansion in Member as well as non-member countries in the process of economic development; and
- to contribute to the expansion of world trade on a multilateral, non-discriminatory basis in accordance with international obligations.

The original Member countries of the OECD are Austria, Belgium, Canada, Denmark, France, the Federal Republic of Germany, Greece, Iceland, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States. The following countries acceded subsequently through accession at the dates hereafter: Japan (28th April, 1964), Finland (28th January, 1969), Australia (7th June, 1971) and New Zealand (29th May, 1973).

The Socialist Federal Republic of Yugoslavia takes part in some of the work of the OECD (agreement of 28th October, 1961).

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A Conference of National Experts on the Future of Migration was held from 13th to 15th May 1986, under the auspices of the OECD Working Party on Migration, bringing together government officials from OECD Member countries, including several Ministers, and independent experts from academia. Representatives of trade unions and employers as well as other international organisations also attended.

The principal objective of the Conference was twofold: to examine significant trends which will affect the future of migration in OECD Member countries and to indentify the relevant issues which will have to be faced in the design of future migration policies. The Conference did not attempt to arrive at agreed conclusions but two General Rapporteurs were invited to summarise -- on their personal responsibility -- the main results of the Conference in the form of possible policy orientations which could be useful for OECD governments in dealing with the increasingly complex phenomenon of international migration. Also included are the main analytical documents submitted to the Conference for discussion. The ideas expressed in them are those of the authors and do not necessarily represent those of the Organisation or any of its Member countries.

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THE CONFERENCE:

INTRODUCTION, SUMMARIES AND CONCLUSIONS

INTRODUCTION TO THE CONFERENCE

by Jean-Claude Paye, Secretary-General of the OECD

This is the first time that the OECD has organised a Conference on the subject of migration. Its interest in this question is not recent, however. For nearly twenty years now the Working Party on Migration has been endeavouring to learn more about and gain a better understanding of migratory flows and the problems that they raise. In this, as in other fields, the role of the OECD is to provide a forum where governments can compare points of view and pool their experience. More understanding means better planning and better planning means more effective action. This must be the aim, and today's meeting is a perfect illustration of that principle.

At a time when our countries are undergoing far-reaching changes, it is necessary to take into account a number of important and pressing issues connected with migration.

If you are to give guidance to your governments, answers will surely have to be found to the following questions:

-- What are the distinguishing features of migration, and in what way have they evolved?
-- What are the causes of migratory flows and what is the relative importance of those causes?
-- What are the effects of migration in our countries and what problems can it pose for society?
-- What policies are being applied by our governments and what lessons can be learnt from the experience of others?

I should like, if I may, to elaborate briefly on these four points.

Features of migratory flows

Accurate analysis of these features is clearly a necessary prelude to constructive thinking. Where do migrants come from and where do they go? What are their geographical, ethnic and religious origins? What are their occupational skills? Are they mainly young single people looking for jobs or are they heads of households accompanied by or quickly reunited with their families? Is it their aim to settle permanently in the host country? Today's answers to these questions paint a picture of migration which is markedly different from the situation fifteen or twenty years ago. There is less and less migration between the countries of the OECD area. Increasingly it is originating outside this area in the developing countries of what is referred to as the "South". Why is this so?

The causes of migration

I vaguely recollect from my far-off and very elementary physics lessons at school that electric current flows all the more freely between two poles the greater the potential difference and the lower the resistance of the circuit. It is this somewhat far-fetched comparison that occurs to me when considering the causes of migratory flows.

In this context, the potential difference can take various forms:

First, there is the difference in demographic potential. Throughout history, empty and underpopulated territory has attracted the overflow from heavily populated areas. Simply to compare population densities is not enough, however, for that would be a somewhat static approach. From a dynamic standpoint, what counts is the comparative vigour or vitality of demographic forces around the world.

The second difference in potential is economic. Migrants are looking for better paid jobs and higher living standards, and in this respect there are interesting conclusions to be drawn from what is happening in the newly industrialising countries. Does economic development help to keep people in their own countries? Does it attract migrants from less developed countries?

Lastly, there is the difference in political and cultural potential. A major reason for migrating has always been the search for a country where life is easier, where there is more freedom and the life-style and cultural climate are less oppressive, strict and confining. What importance and bearing does this factor have today?

To round off my pseudo-scientific analogy, I would add that the resistance of the circuit is undoubtedly lower now than it used to be. The convenience, speed and cheapness of transport and communications have certainly helped to swell migratory flows in the sense that the decision to migrate is much less of a leap into the unknown, or a journey of no return.

The effects of migration

There has in recent times been a tendency to emphasize the negative side of migration rather than its possible beneficial effects. Public opinion in host countries -- especially when unemployment is running high -- tends to focus on the competition between immigrants and nationals for scarce jobs. There is concern about the difficulty of assimilating groups whose cultural identity is unlike that of the host country and there is worry, too, about the financial drain on resources represented by the cost of providing immigrants with housing, education, health and welfare services. In short, and all the more so with the sharp rise in illegal immigration, only the negative side of the balance sheet receives attention. In the emigration countries, similar concern is attached to the impoverishment caused by the loss through emigration of the best-educated and most energetic members of the population.

In response to these often emotional reactions, it is important to remain level-headed and essential that your discussions in this forum cast an objective light on these problems.

Policy options

With the pressure of migration on almost all OECD countries stemming from developing countries outside the OECD area, the need for co-operation on both the theoretical and practical levels becomes all the more obvious. All our countries are confronted with the same problem. They therefore must pool their experience and creativeness in order to find the most effective and humane solutions. Together they must seek how best to equate the three essential ingredients of any immigration policy: control over entry, the means to ensure integration, and co-operation with the countries of origin.

Speaking as I am to specialists and senior officials, I have merely -- in an oversimplified way -- touched on the obvious themes for research. Over the next three days, your experience, your deliberations and also the substantial documentary material put together for the Conference will enable you to pinpoint and dissect the issues involved and suggest possible remedies. May I wish you every success in your work. You will be discussing one of the greatest challenges facing our societies today.

SUMMARY OF MAIN RESULTS

by Professor Reginald Appleyard, General Rapporteur

While discussion of the uniformly-high-quality papers prepared for this Conference has been both forthright and perceptive, the task of summarising main results in the form of possible policy options for the future has not been easy, if only because migration is a very complex phenomenon, especially in its interconnecting dimensions. Perhaps the most appropriate persons to ask about policy options are those who see the future as part of a continuum; who see events today as manifestations of past events and decisions, and tomorrow's options, to a large extent, as having been delineated by what has already occurred. This dictum seems especially apposite to the subject we have been discussing this week. Maillat was quite specific in his support for such a view when he concluded that the lesson to be drawn from the European situation is that migration is a process which, from the outset, bears implicit within itself a certain sequence of events.

It was agreed that, in terms of policy options, it would be appropriate to differentiate those options which relate to existing stocks of migrants from those relating to future flows. Concerning the former, options would be directed towards the consequences of policies already implemented - policies which had created stocks of migrants whose presence had contributed to changes, and difficulties, extending well beyond the first generation. Indeed, a great deal of discussion at the conference was directed towards issues which stem directly from existing stocks of migrants: adaptation, attitudes, second generation and return to the homeland. Concerning future flows, it has been acknowledged that viable policy options must not only take account of the legacy and the lessons of past policies, but also be directed towards resolving a wide range of national and international issues and problems. In this regard, migration was generally seen as only one of many policy options available to governments. Given the logical delineation of options concerning policies relating to stocks and flows, each rapporteur agreed to focus his/her attention on one aspect: the present report therefore deals mainly with policy options relating to future flows.

A major conclusion emerging from the early sessions of the Conference was the necessity not only for delegates to appreciate the diversity of migration flows and their compositions, but also to set experiences and prospects in the OECD region within the global context of economic and demographic development. As Hawkins reminded us, there are already demographic, political and economic forces at work which will exert a major and powerful influence on patterns of world migration as we approach the twenty-first century. For this reason alone, there was no point in studying migration in watertight, national or continental compartments. On the basis of demographic structures in many developing countries, as well as wide disparities in economic and related conditions between them and developed countries, it was generally acknowledged that despite current severe restrictions on the entry of migrants to all countries, sheer demographic pressures would tend to increase the volume of international migration. Indeed, several participants argued that it would be unwise to anticipate any significant easing of migration pressure for at least the remainder of this century. The projected slight increase in labour demand in OECD countries during the next decade was described as a "drop in the ocean" relative to the projected supply of labour in developing countries. Population growth of OECD countries during the next forty years was expected to be very slow, whereas the populations of developing countries would more than double.

While delegates acknowledged that the best migration policy was development policy, they also recognised the manifold difficulties of implementing development policies appropriate for maintaining, let alone reducing, disparities between developed and developing countries. While international migration can play a role in achieving desirable objectives, its limited role was clearly recognised. Körner's view that a policy of migration-related development for sending countries should embrace such measures as monetary stability, balance-of-payments equilibrium, fundamental changes in economic and administrative infrastructure and improvement of local and regional development, placed the issue's complexity in perspective. There seemed to be considerable support for the view that a systems approach to migration issues should be adopted in order to make explicit the migration outcome of unrelated decisions. Weintraub's study of the complex relationship between labour, capital and trade led him to conclude that if overt opportunities for improved economic conditions (such as free movement of people and unrestricted movement of capital and goods) are closed, then migration pressure will find the only escape available -- clandestine flows. It was therefore not surprising that the potential magnitude of this type of migration received more attention at the conference than the potential magnitude of any other type of migration.

The international setting in which future migration policy options will be decided was clearly articulated by the delegate from Sweden:

> I can envisage great political problems in the future when it comes to formulating migration policies and to creating alternatives to migration. It is all too easy to strengthen restrictive measures when trying to deal with growing pressure at our borders. But it should be obvious to all of us that the underlying problems will not be solved that way ... Problems causing people to leave their homes and countries must be solved at the root, the countries of origin... Only by reducing today's imbalances and by bringing about a more fair distribution of resources will we be able to turn migration into a positive element in the future.

Given this broad background, this stage on which migration plays but one role, and on which economic and demographic links are much wider than those represented by Member countries of OECD, what short-term policy options open to OECD countries emerged from the discussions?

Despite the different objectives which governments of the so-called "traditional receiver" countries (United States, Canada, Australia and New Zealand) have for migration compared with the objectives of governments of European countries, each group (and countries within a group) has accumulated experience which is now relevant to resolving many of the present difficulties being experienced by countries comprising the other group. This situation has arisen mainly because of the far-reaching interconnecting dimensions of the migration phenomenon. When I began serious research on international migration during the late-1950s, the impact of guest-worker migration on sending and receiving countries within Europe seemed to bear little relation to the impact of permanent migration on European senders and on receivers such as Australia. Guest-worker migration was considered by many researchers almost as another field of inquiry. This conference has not only shown that during the ensuing thirty years the direction and composition of international migration has changed enormously, but also that such classifications as sending-receiving and permanent-temporary have lost much of their relevance as tools for assessing the impact of migration.

For example, the well-known propensity of many European 'guest-workers' from within and outside Europe to remain in receiving countries on a quasi-permanent basis, and the bona fide status of their children born in receiving countries, has led many European governments to address adaptation issues which once seemed relevant only to governments of traditional receiving countries. Likewise, those traditional receiving governments which have implemented temporary worker schemes have had to address, in varying degrees, problems similar to those addressed by European receivers of guest workers. Today, countries cannot be realistically classified as sending or receiving only. The characteristic status is both sending and receiving, including receivers of former nationals who return home. And all countries have had to try to resolve problems posed by the entry of illegal immigrants and devise methods of preventing future inflows. All these significant changes in the direction and composition of recent migration reflect changing social, economic and political forces throughout the world since the 1950s, a phenomenon not confined to OECD countries, although it has impacted on them in different ways.

In devising migration policy options, each country can therefore draw with considerable benefit on the experience of others, even though present and perhaps future conditions and objectives differ considerably between Member countries. One needs only to recall the statements of delegates from Canada and Australia to realise this. Permanent immigration to his country, declared the Australian delegate, will probably increase during the next few years in order to offset a probable decline in population growth by the twenty-first century. The Australian government believed in immigration as a national objective and there was much evidence to suggest that in this regard it is "ahead" of the Australian people. Returnees were considered a serious loss, and new migrants are selected carefully for their potential contributions to economic growth. Likewise the Canadian delegate argued that permanent migration has contributed to development; that careful management of the programme (including involvement of the public) is the key to success. Hammar astutely saw the objectives of the Australian and Canadian programmes as differing from those of many European countries in that they reflected the expectation that migrants are presumed to become permanent residents, although not at the price of forsaking their cultural identity. There is, he said, no obsession in those countries with presumed problems stemming from cultural diversity. The significance of Australian and Canadian policies for European countries is not simply that they reflect unique historical experiences and economic and demographic structures, but that they imply an attitude towards the role and importance of migrants in national development. Such attitudes are central considerations in devising policies appropriate for the adaptation of present and future migrants in every OECD country.

While it was acknowledged that migrant populations living in highly industrialised OECD countries must be viewed as a legacy of earlier unsuccessful guest-worker approaches, it was also acknowledged that it would be fruitful to search for appropriate policies concerning adaptation issues on the basis of comparative analysis between European and non-European countries. The case for implementing policies which facilitate (perhaps even enforce) the adaptation of migrants was strongly put by several delegates. Instead of pointing out the right ways, policies should create space for constructive solutions which involve both migrants and members of the wider receiving community. Such a view was clearly in the mind of the United Kingdom delegate when he argued that, although the rights of migrants in his country have been guaranteed by legislation, adaptation (especially of migrants from some developing countries) remains a difficult and seemingly intractable problem. The same point arose many times and in many ways: "the lag between reality and official statements", "governments must have the courage to say explicitly what their policy is", and "the need to consider new urban policies". The point was specifically made by Hammar when he argued that no other single factor has probably had so negative an effect on attitudes and integration as the encounter with racism, prejudice and discrimination. There is a need, he wrote, for politicians to react strongly to these situations.

The Canadian delegate believed that despite the different policies invoked by Member countries, collectively they seem to be moving towards a consensus on desirable longer-term approaches to migration. Such consensus had been clearly facilitated by recognition of the global dimensions of international migration as well as by research such as that conducted by Withers, Heijke and Weintraub concerning the relation between migration and the labour market. Understanding the short-term impact of migration was a first step towards determining both public and official attitudes towards migration. If migration is well planned (a condition that the Canadian and Australian delegates emphasised frequently as important for successful programmes), it should not lead to dislocations in the labour market. The maximisation of economic benefits from migration, some delegates argued, requires close attention to composition as well as volume of intakes.

There is no doubt that the migration agenda for all OECD countries is going through a fundamental transformation which recognises the heightened visibility that migration issues have had (e.g. adaptation of former 'temporary workers' and return of former 'permanent emigrants') and will continue to have (e.g. the extent to which migration is utilised to arrest declining population trends, and effective control of illegal migration) in each country. While there seemed to be a general consensus that each Member country could learn from others in this process of "fundamental transformation", delegates also realised that lesson-learning would to a large extent be selective, and that the policy options chosen by one country are unlikely to be those chosen by others in different situations and at different stages of development. The experiences of European and non-European countries concerning migration and their general objectives for future intakes need only be mentioned to convey that point. Support was nonetheless expressed for a proposal that countries wishing to share information and experience with a view to devising policies more appropriate to their needs should be encouraged to do so either independently or within the rubric of OECD. Countries which face a slowing and ultimate decline in population, and are prepared to utilise migration to arrest that trend, clearly have a great deal to gain from regular contact and exchange of information and ideas. Traditional sending countries could certainly gain a great deal from frequent discussion of such issues as the reinsertion of returnees. The reality of continuing return flows, the encouragement of voluntary return by some host countries, and severe economic difficulties being experienced by many countries of origin, led to a call for increased efforts and new approaches in coping with the problems at stake. These could be greatly facilitated by multilateral and bilateral co-operation between traditional European sending and receiving countries. Similar co-operative efforts would also resolve many difficulties presently posed by the status and aspirations of second-generation migrants.

In view of the "fundamental transformation" noted above, especially the magnitude of changing migration patterns during recent years, Member countries, whatever policy options they adopt, could also gain mutual benefits simply by exchanging information on *all* aspects of the migration phenomenon. A perfect example of both the magnitude and diversity of changing situations which face, and will continue to face, all countries involved in the migration process was conveyed by the delegate from Greece when he proposed that Australian-Greeks (Greeks who returned home after spending many years in Australia) should be encouraged to maintain their unique ethnic identity *after* they returned.

By and large, there has been a surprising degree of unanimity displayed at this conference concerning both the importance of the migration phenomenon and appropriate policies for resolving major issues, surprising because the subject has traditionally been highly polemic. One exception has been criticism by delegates of some European sending countries concerning the effectiveness of past adaptation policies invoked by European receiving countries, especially policies which have failed to stem the continuation of labour segmentation into the second generation.

Maillat argued that in their desire to halt immigration in order to protect nationals, governments have not found it easy to replace foreign workers who traditionally fill low-status jobs with nationals. Even where segmentation over time has narrowed, unemployment rates are usually higher for migrants and for their children. It is clear, however, that a great deal more data than are available on labour force structure and the mobility of migrant workers in each national situation will be required before the critics can be answered. A dearth of data and analysis also prevents resolution of another polemic issue: the likely magnitude and type of labour demand in OECD countries during the short and medium terms. Part of the disagreement reflects different structures and rates of growth of the respective economies, although the majority of delegates who addressed this issue predicted a significant decline in demand for manual labour in view of technological change. Heijke, for one, acknowledged that there would almost certainly be a decline in demand for unskilled labour and this had to be considered in conjunction with the current large pool of unemployed labour on which employers could draw if demand increased. The employment of such persons, especially the unskilled and semi-skilled, would clearly reduce the demand for migrant labour with similar skills.

The segmentation and future labour demand issues are too important to be dismissed without further investigation. They represent one area where OECD countries could collaborate. As any economist knows, labour demand is a difficult subject requiring constant updating and the re-analysis of complex data. But the subject lends itself to inter-governmental co-operation, especially between countries presently and historically involved in migration as senders and receivers. Nor should such co-operative efforts be confined to labour supply and demand equations. On several occasions during the conference reports were made of development proposals which "took capital to people", i.e. which avoided the movement of labour to development projects in receiving countries. While Weintraub rightly reminded us that the "capital to people" concept is difficult to conceptualise theoretically in terms of factor inputs, it is nonetheless worthwhile assessing capital to people projects which have apparently been very successful, both in terms of prime objectives and also because they avoided adaptation problems and issues which inevitably arise as a consequence of international migration.

I refer specifically to Japan's long-standing policy to eschew immigration but nonetheless obtain access to labour supplies necessary to service its so-called economic miracle. An adequate supply of labour was not available in Japan during the 1960s. Relatively labour-intensive production processes were therefore established in nearby countries where there were abundant and inexpensive supplies of labour. The countries involved (Korea, Thailand, Malaysia) fully supported the arrangements because of the job-creation and training spin-offs they initiated. Japanese investment also created multipliers which contributed to processes of diversification and economic growth. Similar proposals have been reported to this conference concerning the establishment of enterprises by northern European investors in countries whence traditionally came contract workers. Some were initiated by investors attracted by location, lower labour costs and less demanding environmental restrictions; others were made partly with the objective of persuading former contract workers to return home. Even though response to some of these proposals was deemed "disappointing" by several delegates, the initiators can be heartened by the rapidity with which all matters pertaining to migration have changed during the last few decades. In view of demographic trends in developing countries, especially the probable doubling of their populations during the next forty years, future patterns of industrial growth and labour mobility may be very different to those experienced during the last few decades. "Capital to labour" may be an arrangement whose time has not yet come.

Weintraub's view that restrictions on the movement of people, capital and goods between countries would lead to an increase in illegal migration should also be set within the projected global economic and demographic trends reported during the first day of the conference. While the potential for illegal migration from developing to developed countries during the next few decades is enormous, contemporary flows are large enough to have caused considerable concern to the governments of some OECD countries. These were outlined by delegates who also indicated the plans that their governments have drawn up to restrict future inflows. Maillat had argued that second generation migrants in some European countries had shown no inclination to take the kind of low-status jobs of their parents, and this had provided opportunities for illegal immigrants to fill the vacuum. While his views were not challenged, several delegates expressed their governments' determination to stem the flow. For example, the delegate from the Federal Republic of Germany declared that his country would not open its doors to further immigration, and illegal immigration in his view has not necessarily grown compared with the past but public concern has increased because of persistently high rates of unemployment; the delegate from France argued that illegal migrants "menace our efforts in rights and obligations"; and the delegate from Turkey declared that his government deemed unacceptable the view that illegal workers were an alternative to regular migrant workers. Many delegates called for much more information on the possible magnitude of illegal flows and on the methods used by illegals to gain entry and obtain employment. The delegate from Italy said his government had already drafted rules which it hoped would avoid many of the abuses being made of illegal workers in his country. Their concern was not misplaced as the possibility of massive inflows of illegal migrants into southern European OECD countries seems to be very real. And, bearing in mind the existing and growing dependence between OECD countries, such inflows would not only affect the orderly functioning of labour markets, but also have other far-reaching implications.

In view of its potential magnitude, as well as the difficulties being experienced by many countries in controlling intakes and handling the problems associated with existing populations of illegal migrants, the subject emerged as an issue of major concern. It is clearly an area where co-operative efforts and exchange of information between governments should be accorded high priority. While many Delegates believed that the questions of preventing illegal immigration and how to handle existing populations of illegals should be addressed separately, the German view was that any form of legalising irregular migrants would create a strong incentive for further illegal inflows. Concerning the latter, de Wenden argued that the main problem for several European countries has been their inability to prevent illegals from filling the void in low-status occupations created by policies banning worker migration. By supplying workers willing to accept low-paid jobs with poor working conditions and pay, illegal migration only replaces one category of worker with another with a view to offering more flexible management of the labour force. And concerning the former, de Wenden was of the view that illegal migration is likely to become a major socio-economic problem fuelled by unofficial labour markets and by the pressure on illegals to leave their own countries. And Weintraub, in addressing the Mexican-US illegal flow, argued that even major changes in economic policy are unlikely to double job-creation, which would be necessary to make a radical alteration in present "emigration processes".

There was also precious little joy in Weintraub's view that the problem can be solved only in the long term. Several delegates argued that the "cost" of hoping that in due course the narrowing of income and opportunity differentials between the sending and receiving countries will solve the illegal migration problem could be very high. The figures presented during early sessions of conference concerning magnitude of differentials and the ineffectiveness of global policies to reduce them, suggest that narrowing will, at best, be *very* long term indeed. Short-term policy options included more effective frontier controls through visa requirements and the adoption of "turn-key" projects similar to those implemented by some countries in the Middle East. These projects impose very strict controls over worker intakes and the admission of dependants and little if any opportunity for workers to negotiate extensions of stay. Hawkins argued that the "fortress mentality" would not resolve illegal migration flows; "respectable" alternatives should be explored and the best economic brains mobilised to work on a regional or even a world labour force basis. There are already signs, she argued, that this is emerging as a viable course to follow. The essence, however, is that illegal migration, the most intractable future problem considered by the Conference, cannot be solved by rhetoric. While the Conference did not point the way with viable policy options, it did emphasise very strongly that the issue must be accorded high priority by Member governments. The delegate from Italy probably spoke for all delegates when he claimed that consultation must play a large role if governments wish to get to the root causes of illegal migration.

At the concluding session of the Conference, the Canadian delegate also spoke for many others when he expressed the view that the Conference would be "successful" only to the extent that the many complex issues which had been identified were followed up by further research and discussion. The impacts of future migration could no longer be discussed as relating to either sending or receiving countries, and there was an urgent need for governments to understand appropriate analytical techniques in order that the debate could proceed effectively.

SUMMARY OF MAIN RESULTS

by Professor Nermin Abadan-Unat, General Rapporteur

Prediction of the future has in our century become a discipline of its own, futurology, which is no longer the domain of literary figures such as Jules Verne, H.G. Wells, Huxley or Orwell. The Conference did not deal with science fiction, but tried to present reliable future-oriented projections. In doing so it adopted an innovative approach: it accepted international migration as a basic element of economic development. Today, any global economic development model has to incorporate the migratory component, and this addition necessitates an interdisciplinary approach. International migration can only be properly understood if the diverse aspects of this phenomenon are studied with the help of disciplines such as demography, geography, history, economics, law, political sciences, sociology and social psychology. It has been the merit of this conference to underline this methodological necessity.

The problem of immigration and its complementary component of adequate development and employment growth can no longer be considered as a domestic problem. The projected movements of people over the next fifteen years may challenge certain fundamental concepts of the state which date back many centuries. As the Canadian delegate stated, "nations can no longer act as individual 'gate-keepers' trying to build higher and higher walls". Shrinking spatial dimensions are forcing us to consider migration -- alongside trade, capital flows, economic restructuring, the creation of global economic systems and transnational societies -- an inseparable element of development, requiring co-operation of all kinds.

The various factors which today provide the dynamics of migration in European and non-European OECD countries have certain common features: persistent unemployment, continuing inflow of migrants, diversification of national origins of migrants, growing importance of illegal migration, perceptions of cultural differences leading in some cases to social tension. This trend, while not implying a convergence in policy decisions, nevertheless increases the need for consultation. Hawkins' suggestion of sharing available international information on immigration matters in a global monitoring system found general approval.

After discussing in detail the future flows of migrants, the conference turned its attention to problems faced by receiving countries in coping with the social and economic implications of a large stock of foreign residents. In this regard the national policies and practices of immigration control, analysed in a paper by Mme de Wenden (to be published in the next SOPEMI report), were considered. While noting the evolution of a certain similarity among national practices over time, she identified as the most important and persistent difference that between a policy approach based on the perception of migrants as forming a significant part of society at large, versus one where migrants are perceived as creating externalities which public authorities have to react to. The first approach emerges in Hawkins' paper, where she states that Canada and Australia -- both countries that have adopted multiculturalism as a national policy -- "have attempted to educate and involve the public in policy development and immigration management by setting up advisory councils, providing language training and civic instruction". The second approach is exemplified by the temporary integration policies as applied in certain European countries. The major principles of it are clearly defined by Germany which foresees full participation of foreigners in economic, social and cultural life but at the same time favours the maintenance of cultural links with their home countries and provides public assistance to those who want to return. Naturalisation, while open to all foreigners who fulfil certain requirements, is anticipated to affect mostly those of the second and following generations. This type of dual policy was sharply rejected by the Greek delegates who stated that Greeks always left their country with the wish to return, therefore migration and repatriation have to be considered jointly, a point of view shared by Yugoslavia.

The understanding that temporary large-scale immigration can lead to permanent settlement induced the conference to examine the multifaceted aspects of integration as experienced by the receiving countries. While the conference seemed to accept the need to grant legal foreign residents a degree of legal security, with permanent residence after a given period of time and the right to work, other policies such as the use of naturalisation as a vehicle for integration, placing legal responsibility upon the employers of illegal/undocumented workers, enforcing strict border controls, and encouraging strong legislative action to combat a clandestine labour force, did not meet with universal approval. The issue of dual nationality, proposed by the Swedish delegate with the argument that the "right to have a foot in each door" facilitates both a successful integration as well as an easy reintegration, was criticised by the German delegate but favourably received by the delegates of France, Italy and Turkey. The experience of the United Kingdom, which treats as citizens all immigrants from the Commonwealth, has proved that legal equality has not been sufficient to prevent racial conflicts and violence.

The scale of illegal immigration was a major cause for concern. While the United States in this regard adopts an ambivalent attitude, countries such as France and Canada in the past, and Italy more recently, have attempted to regularise the status of these migrants. However, limited amnesty represents a legal remedy which is strongly opposed by a number of European countries such as Germany, Switzerland and Austria who argue that, given the fact that illegal immigration carries the tendency to transform itself into permanent structures, the impossibility of sharpening law enforcement or the tacit approval of lax administrative control cannot be considered as acceptable.

Migration, legal or illegal, is inevitably linked with employment. The various structural analyses dealing with the transformation of highly industrialised and post-industrialised societies have led us to look into the functioning of "dual economies" and the segmentation of the labour market.

Post-industrial societies whose key characteristics are the use of automation, computers, and telecommunications including space satellites, are also marked by the increasing differentiation of the labour market, into two or more strata on the bases of social status, employment conditions, work habits and the degree of stability of employment. The stratification and cultural division within such labour markets are most evident in the case of international migrants: within this type of "dual economy", temporary or permanent migrant workers, together with different types of minorities, tend to be marginalised and more open to exploitation than the better organised professional and unionised segments of the labour force. Illegal migrants are, of course, particularly vulnerable to exploitation. A sexual and cultural division of labour occurs under these conditions and tends to persist over time. The discussions during the conference indicated that such large-scale changes imply the need for greater flexibility, which does not mean "easy dismissal" -- but rather, "easy job changing", and the need to guarantee full social security and pension rights. This critical outlook clearly shows that industrial restructuring and adjustment require new qualifications for the labour market, new training opportunities and new ways of thinking.

Finally, the increasing importance of human rights dictates to all economic partners equality of working relations and due process of law. This is why the representative of the Trade Union Advisory Committee (TUAC) requested substantial efforts for the ratification and effective application of international agreements.

The problem of spatial segregation was taken up several times during the conference. The location where migrants are living very often increases the scale of discrimination and latent hostility. Concentration enhances visibility, thus reinforcing existing prejudices. Indeed discrimination, be it legal or de facto, is closely related to spatial settlement. Whatever the reasons for preferring to live in a ghetto -- such as the availability of a variety of special services, low-cost rents or emotional support -- the creation of such "islands of isolation" defers integration. Furthermore, heavy ethnic concentration increases the awareness of the presence of a particular group and becomes the vehicle for social and political movements against further integration. Here there is a place for the elaboration of far-sighted, well-designed urban policies, including a carefully planned scattered relocation of migrants linked with the availability of services; that carried out by the city government of Hamburg might serve as an example to others.

The educational performance of the second generation has become a major pre-occupation of almost all receiving countries. Although all OECD countries have adopted special measures to encourage the enrollment and vocational training of migrant children (new disciplines such as "Ausländerpädagogik" have been introduced into university programmes, innumerable pilot projects have been carried out in various Member states and the proportion of foreign students has increased over the years), the results obtained indicate that as a rule foreign students have a low achievement level. Foreign children are prone to educational failure and go through the years of compulsory schooling without acquiring the basic knowledge necessary for effective vocational training. Early entry into working life or failure at the vocational training level aggravates the difficulties which these young people encounter in the labour market. Because there are now fewer jobs in the secondary sector, as a result of technological changes and because of the shrinking number of low-paid, unskilled jobs, these young people will find it increasingly difficult to obtain work. Their situation may thus be worse than the one faced by their parents on arrival in the country.

Can we assume that this failure occurs because the parents are unwilling to motivate their children? Such an assumption would be an underestimation of the majority of migrants. Migrants do see education as important, and pressure their children to remain in and do well at school. However, they view education as they view work, as essentially a means to an end. The substantive content of what is taught in school and the values upon which that teaching is based and upon which the school operates are alien. The result is a clash of values. The difficulty lies in the fact that the parents are unable to operationalise their interest in education and are unable to force the school to accommodate to the community. This observation in a way confirms the major finding of the OECD CERI study on "Immigrants' Children at School", namely that children who belong to a disadvantaged social class tend to be low achievers. Being of foreign origin can accentuate educational inequality. These conclusions indicate that major efforts have to be deployed if the second generation is not to be condemned to the lowest positions in society, as pointed out by the Italian delegate.

Bilingualism in education was also a widely discussed item. Delegates from countries such as Greece, Yugoslavia, Portugal and Turkey, anxious to keep their cultural heritage, pronounced themselves strongly in favour of the teaching of the home country language, while arguments that such teaching is counterproductive for a successful insertion in employment were put forward by the Austrian delegate. Here it is of course the scope and volume of the home country language teaching which is at issue. Other countries such as the United States, Canada, Australia are applying policies of bilingualism for more political reasons, so as to enable citizens to communicate with each other and thus achieve a smoother integration.

Considering that a successful education, a satisfactory vocational training of the second- and third-generation migrants will be the key after the year 2000 for a harmonious societal life in all OECD countries, the suggestion of Hawkins, "to study the thresholds of success as vehicles for a greater willingness to make larger use of available educational opportunities", should receive special attention.

During the last decade family reunion has been the predominant type of immigration into receiving countries, yet so far migrant women have been the subject of systematic research only in a restricted way. Owing to the pressure of the economic recession, other issues such as the labour market position of the second-generation migrants, unemployment and illegal immigration have been given priority. As a result, first-generation migrant women tend to be a forgotten category. But most of these women are still young and they play an important role in the socialisation of the second generation. Their participation in the labour market, whether on a part-time or full-time job basis, together with their degree of exposure to various information services and adult education alternatives, will determine their outlook and willingness to integrate.

Existing studies have revealed that migrant women, especially the non-employed ones, lead excessively isolated lives. This situation could be partly modified through more extensive use of various types of mass media, particularly target group oriented broadcasting services. Participation in associative activities could be encouraged with the help of successfully integrated migrant women acting as mediators, who could also function on a professional basis as "contact persons" between the school and parents, health services and patients and the like.

With regard to migrant girls, it seems of paramount importance to improve their capacity to take part in the future development of high-technology societies and to project new roles for them. Cultural traditions must not hinder their access to such skills. These suggestions were particularly endorsed by the Australian delegate.

A form of sexual discrimination has been legitimised in some regulations on family reunion that lay down severe restrictions with regard to both residence and work permits for spouses. This means that the dissolution of marriage by death or divorce can lead to the loss of permits on the part of dependents, who are usually women.

Another much discussed item related to immigration policies during the Conference was the interpretation of multiculturalism. The degree of commitment to the concept of human rights for aliens, namely standards to guarantee the identity and the specific culture of every migrant, has led in recent years to different conceptualisations such as the idea of "ethnicity" and its derivate "the multi-ethnic society", which sometimes is also expressed under the label of "multiculturalism". Here a number of different interpretations were given. Delegates from countries such as Turkey and Portugal defined this concept as the support of differentiated cultural activities producing a balanced pluralism, meaning a peaceful co-existence of various cultures fostering tolerance and harmonious understanding, while maintaining close contact with the home country. Others, from countries such as Sweden, Canada and Australia, observed that this concept could lead to a deliberate ethnic compartmentalisation, thus legitimising ethnic cleavages. This interpretation, which is closely related to the preservation of the cultural heritage and the teaching of the mother tongue, may under certain circumstances promote ethnic separatism. It can also incite the members of a particular religious or ethnic community to create within a special enclave some kind of mini-state, then to import conflicts from the home country and eventually to produce a deterioration of working relations between sending and receiving countries.

The Conference also focused its attention on negative factors preventing integration, namely the racism, prejudice and discrimination which exist in almost all receiving countries. Some commentators have attempted to explain the rise of such feelings in connection with the persistence of unemployment and its repercussions on certain groups, while others tried to relate it to a general feeling of insecurity. Here again speakers from countries with a long-standing tradition of smooth integration have stressed that public opinion, especially in countries with a substantial concentration of a particular ethnic group, depends heavily upon the information about the sending country. Knowledge and understanding of who the migrants are, about their background, their interests, and their contributions, seems to be vital. Furthermore, the major change which has occurred in Southern Europe, converting previous sending countries into receiving countries, obliges a new approach here too. Countries such as Spain, Italy and Greece, which in the past created administrative structures for emigration, are now obliged to adopt the position of employment countries confronting clandestine immigration, a very difficult role for them to take up without falling into moral and political contradictions. This lies behind Simon's suggestion that recognition of the underground economy might be a remedy for a bewildered public opinion. Inadequate public debate and analysis, a lack of research and the failure to disseminate knowledge may possibly increase conflicts in the future. It is particularly in this regard that the experiences of Canada and Australia could be of great value for all other countries facing immigration. Both countries have made substantial use of mass media and other information technologies, for instance the nation-wide accessible telephone interpreting service in Australia. Development of ideas focusing on self-help, access and equality have been promoted by the interplay of voluntary associations, all committed to spreading knowledge about the positive aspects and contributions of the newcomers.

Discussing integration, the conference also dealt with the important issue of political participation. Since World War II, international standards have been developed to safeguard the human and civil rights of minorities and migrant workers. These standards advocate social participation as a foundation for the preservation and exercise of rights. This process could also lead to political participation, which is based on the notion of an ultimate acquisition of citizenship.

In the 1980s a new concept has emerged called "secondary citizenship", which means participation in some social and economic areas of daily life such as work, school or church. It can also be defined as political participation in non-political institutions. Countries such as Germany, France and Austria consider eligibility for enterprise committees to be sufficient. The major argument against an extension of political rights even at the local level is the fear of becoming an arena for conflicts exported from the home country. However, discussions have revealed that the tide of public opinion in some OECD countries such as Sweden and the Netherlands has been moving further, encouraging political participation on the local level. As underlined by Hammar and Lithman, political participation assures immigrants direct political influence, incites greater political interest, and enhances greater self-respect for the migrant, thereby creating solidarity with the host society. As Hawkins stated, "political rights function as a mechanism of psychological adjustment and tend to give ethnic communities a corporate identity". Simon also saw a correlation between political participation on the local level and the solution of housing problems and distribution of social services. Referring to the particular relationship of various diasporas abroad and their home countries, Simon suggested that one way of loosening these particular ties is to involve migrants to a larger extent in local affairs, where the migrants as taxpayers have an inherent interest.

The Conference also discussed return-incentive programmes. These fall largely under three headings: return-bonus schemes, reintegration services and employment creation projects in the country of origin. Mediterranean countries strongly interested in securing a successful reintegration of returned migrants, such as Greece and Yugoslavia, stressed the point that repatriation requires the fulfillment of some preconditions: the establishment of mechanisms for readaptation which require state interventions, thus involving costs which should be shared by the sending countries. The request for greater co-operation with the host country made by the Yugoslav delegate included management training, collaboration of educational institutions, migrants' organisations and state enterprises as well as technology transfer. These preferences are indicators that some sending countries are only partly satisfied with individually motivated return.

Evaluating the role returnees can play in regional development, both Körner and Simon emphasized that we should not overestimate the myth of development. It is illusory to expect all returnees to become agents of innovation. However, institutions collecting large savings such as banks could take on the role of innovators. The experiences of Turkey have shown that a great part of capital accumulation in regions of out-migration have been transferred to more developed parts of the country. For those migrants who return on the basis of their own decision, there is room for measures to facilitate reinsertion through foreign currency accounts, relaxation of import duties and restrictions, and business credits, as well as for guidance concerning the choice of project, with the aim of ensuring success for the migrant and multiplier effects for the community as a whole.

Finally, the discussions at the Conference clearly suggested the following conclusions:

-- Future trends in some OECD countries revealed that there will be some demand for migrant labour, albeit of a selective nature, probably confined to particular skills. These countries would like to specify their long-term immigration targets, whereas other countries strongly refuted the idea of such needs. Those countries that want to share information indicated their willingness to create collective institutionalised responses for making better use of available knowledge through various international organisations. Within the OECD this could lead to the setting up of interlinked, compatible research centres on migration, permitting permanent monitoring systems and data collection.

-- Considering the explosive demographic developments along the southern edge of the Mediterranean basin and the fact that the northern edge of the basin, for a variety of reasons, is unsuited to resist these pressures, the likelihood of massive inflows of illegal migrants into the Southern European OECD countries seems to be very real. Given the existing economic interdependence between OECD countries, such a development would have far-reaching implications. Thus it seems appropriate to analyse the economic, political and social implications of massive illegal immigration into Southern European member countries and to review appropriate policy responses.

-- With regard to accelerating the speed of integration, specific problems in Europe for second-generation migrants and migrant women in particular deserve priority. It appears fruitful to encourage comparative analyses on employment and income differentials between migrants and nationals, on substitution or complementarity of migrant and local workers, on labour market segmentation, etc. In addition to the available work done in the legal field, the elaboration of general principles for more effective legal protection seems necessary. In this context, integration-facilitating and integration-inhibiting factors related to governmental systems would be a rewarding subject for comparative study. Integration-promoting mechanisms such as the mass media should also be investigated, particularly in regard to their capacity for information dissemination.

-- The last major concern at the Conference was a renewed interest in return migration and the reinsertion of returning migrants. There seemed to be a need for some countries to enlarge the scope of multilateral and bilateral co-operation. A major challenge would be to find a link between bilateral co-operation and the type of multilateral co-operation which could be pursued at the level of the OECD. One possibility would be to undertake reviews of concrete bilateral experiences and to attempt to draw lessons of a more general nature for all OECD countries concerned.

Alexis de Tocqueville has rightly said, "C'est le provisoire qui dure". This Conference has been a fruitful encounter of those who look upon migration as a lasting process and believe in the necessity to plan seriously for the future with those who, on the other hand, consider it as a temporary phenomenon. The confrontation of these two approaches has no doubt enriched the outlook of both sides. It has to be recognised that today we are facing a new global reality. Wherever there are large technological differences, people will attempt to move. The challenge is how to manage these movements. In order to go beyond provisional policies there seems to be a definite need for political commitment to closer co-operation and more accurate forecasting.

CONCLUSIONS

by Mr. Pierre Laroque, Chairman of the Conference

The Conference on the Future of Migration organised by the OECD from 13th to 15th May 1986 brought representatives of all of the Organisation's Member countries together with eminent economists and social scientists to discuss the possible and probable outlook for migratory movements in the years to come. Its purpose was not to define international norms in this respect, nor to draft one or more international agreements or a legal instrument having the force of law, but to review all the problems raised by that outlook.

The general reports by Mr. Appleyard and Mrs. Abadan-Unat give an excellent account of the Conference, whose work was helped by the OECD Secretariat's particularly efficient preparation and the introductory statements by consultants from many disciplines and several continents. The debate, always searching, was calm and collected, of a high standard and rich in detail; it demonstrated shared concern to discuss the issues in depth, quite objectively and as thoroughly as possible.

The conclusions that follow are not intended to duplicate the general reports but merely offer, in the same spirit of objectivity and thoroughness, one or two succinct comments on the general thrust of the discussions.

Man is naturally mobile. In every epoch, in every part of the world and in every civilisation, there has been migration. Migration must not therefore be regarded as an abnormal phenomenon disturbing the natural order of things. The migrant is no exception because migration is a normal part of people's individual and collective lives. This is an essential truth that is little appreciated nowadays and of which we should all become more fully aware.

History shows that migratory movements take on a different colouring in space and in time. Researching the future of migration therefore calls for a knowledge of the present situation in relation to past trends, and for a distinction between the immediate future stemming directly from that situation, and the medium- and long-term future governed by many factors, some of which are predictable, others which are not.

I. THE PRESENT SITUATION AND THE IMMEDIATE FUTURE

Trend of migratory movements

Recent times have been marked by important changes in migratory movements. Migration in the 19th century and the early 20th century was essentially determined by economic factors. Migrants wanted better living conditions than those they had experienced in their home countries; host countries needed labour to exploit their natural resources and to keep their economies going.

The conjunction of these two concerns, both economic, was responsible for the coexistence of two main types of migration. On the one hand, migration from the European countries to distant regions such as America or Australia was family migration for permanent settlement in the host country. On the other hand, migration to neighbouring countries was usually by men on their own, either unmarried or, if married, leaving their families behind, intended to be temporary but with the prospect of a return home in the more or less distant future.

The nature of migration has undergone profound changes owing to three main types of factor:

-- First, economic factors: The current world recession particularly affects the industrialised countries which used to receive immigrant workers. Unemployment has practically closed their frontiers, barring migrant workers' access to the countries which were their destinations in the past.

-- Secondly, political factors: Many countries have experienced and are still experiencing political crises, and in some cases large numbers of their nationals whose lives or freedom are threatened go abroad to look for the guarantees of security that are denied them in their home countries. Thus the problem of political refugees now looms ever larger in international relations. This has been underscored by international recognition of universal human rights, unequally respected or protected from one country to the next.

-- Lastly, technological factors: Increasing facility of communication makes it easier to travel and to be aware of the economic and social situation in different countries. Changes in the respective positions of the various economic activities in many countries entail changes in manpower needs. In the industrialised countries that used to receive the traditional migratory flows, agriculture employs fewer and fewer workers. The labour needs of industry itself, which is increasingly replacing men by machines, are diminishing, whereas service activities, on the contrary, now have new requirements -- but the workers needed to meet them are no longer the same. This is compounded in the industrialised countries by the recent and growing rise in female employment, here again notably in service occupations.

The conjunction of these factors has narrowed the gap between the two types of migration observed in the previous period. Owing to the closure of national borders, immigrants who once intended to migrate only temporarily now want to bring their families to the countries in which they are working, since they are afraid that if they leave the host country to visit their families at home they may not be allowed back and may thus lose their jobs and livelihood for good. Hence the expansion of "family reunification", claimed as part of man's fundamental right to a normal family life. Hence, too, the expansion of undocumented migration and the growing number of illegal immigrant workers.

These situations, like all the above-mentioned factors, have prompted the various countries concerned to define and enforce much more elaborate migration policies than they did in the past.

Such policies are directly affected by the social strains emerging in the immigration countries experiencing high unemployment, whose populations tend, usually quite wrongly, to blame that unemployment on the presence of foreign workers.

From another angle, both home and host countries tend to weigh the advantages and disadvantages of migration from the economic standpoint and to determine their policies in the light of the importance attached to them.

Sending countries see migration as responsible for the loss of young, dynamic people who are needed for local economic development. On the other hand, migration will reduce the numbers of unemployed and, if migrants leave their families behind, the remittances made to these families by the emigrants will provide the departure country with additional resources, notably in foreign exchange, which will increase its investment possibilities.

Receiving countries where unemployment is high will fear that it may rise still further as a result of the influx of immigrants, and will especially fear the social strains prompted by that influx among the local population. Furthermore, even though immigrants do the work for which there is a shortage of local labour, the children of these immigrants will perhaps -- and even probably -- want jobs different from those of their parents and will thus compete with local workers. In addition, the presence of a large immigrant population can give rise to cultural conflicts with the native population. On the other hand, and precisely because the local population in immigration countries is too small owing to its low fertility, or spurns certain essential tasks, the contribution of immigrant manpower is important for the country's economy and development.

Opinions differ, often widely, as to the balance between the advantages and disadvantages of migration for the sending country on the one hand and the receiving country on the other. Nevertheless, the impression that prevails is that by and large migration is beneficial, from an economic point of view, for both groups of countries.

This does not mean that each country cannot and must not have a policy dictated by its own circumstances, for instance by its specific need for certain types of worker or by the importance it attaches, in the name of respect for human rights, to granting asylum to refugees.

The migrant's position in host and home countries

The problems raised by the migrant's position in host and home countries highlight their contrasting concerns.

The departure country wants the emigrant to maintain his ties with his home environment: first, cultural ties, language and traditions, and then the material ties that determine the immigrant's contribution to his home country's economy and perhaps his ultimate return.

The host country wants the immigrant to integrate in its own population, so that his work is more profitable to the economy and, at the same time, the strains which can result from the conflict of cultures are eliminated or at least reduced.

Problems arise in different terms, depending on whether the migrant's status in the host country is legal or illegal.

i) The legal immigrant's position

This must be considered:

-- First, with respect to the host country;

-- Secondly, with regard to his possible return home.

a) With respect to the host country

It is generally agreed that the legal immigrant is entitled to the immediate and full benefit of the laws of the host country on the same terms as nationals, notably as regards industrial legislation, social security coverage and human rights as a whole. Family reunification, long contested, is now acknowledged to be a fundamental right, although sometimes subject to certain restrictions owing to unemployment, especially for young second-generation immigrants.

In principle, the position of immigrants is similar to that of nationals: they are subject to the same system of taxation and have the same entitlement to housing and, as a rule, all types of general education and vocational training. Nonetheless, because he generally does harder, lower-paid work than nationals, the immigrant is in fact not as well off. This is exacerbated by the fact that language difficulties and lack of ties with the new local environment make it more difficult for him to gain access to certain advantages, especially housing. The immigrant, particularly of the first generation, needs special help to adjust to the culture and traditions of the host environment and to general education and vocational training. This is and must be a concern of the receiving country.

Young second-generation immigrants must be able to benefit from education on the same terms as young nationals. But the very fact that they come from a poor, not fully-integrated background, and have little money for their education and training, justifies special support from the host country to facilitate their access to the same educational and training as young nationals of the same age.

Above all, it is young people who face the problem of the conflict between access to the host country's culture and keeping up that of their home country, or combining the two. This is an important and difficult issue affecting both countries. The culture of the home country ought to enrich the culture of the host country, and ways should be found to avoid the clash of cultures by seeing to it that they blend as harmoniously as possible. Whereas in the past integration in the host country was regarded as assimilation, the tendency today is increasingly towards multicultural societies in which the different cultures live peacefully side by side.

Successful integration of immigrants also involves their participation in the host country's social and public life. Participation in social life calls for a certain dispersal of immigrants within the host country in order to counter their frequent inclination to form introverted groups of individuals or families of the same origin. This tendency is found above all in large cities, where anonymity prevails and immigrants often find it hard to get to know local people. Hence the advantage of directing immigrants as far as possible towards small or medium-sized towns where people know each other and friendly contacts are made more easily.

The local environment plays an essential role in making immigrants feel at home. It is not enough simply to acknowledge their basic right to freedom of assembly and association and to free speech; over and above the initiatives taken at national level, local people must also be encouraged, through decentralised authorities and associations, to give immigrants a warm welcome. Certain countries, though still too few, have worked successfully towards this goal, and their example should be followed.

The role of women in helping the family group adapt to life in the host country is especially important. They are largely responsible for establishing friendly relations between the whole family (and the young people of the second generation in particular) and the host environment. This is an essential task, but a difficult one, since women often gain access less easily than men to the work environment. It calls for and deserves special support.

Participation in social life is bound up with participation in public life, a much debated issue. Immigrants' participation in elections to trade unions or economic bodies on the same footing as nationals is probably no longer in dispute. But there is frequently reluctance to allow them to vote in local and parliamentary elections. Solutions vary a great deal from one country to another. Perhaps a distinction should be made between elections to the legislative body and elections to local administrative office. It seems to be readily agreed that parliamentary elections should not be open to immigrants who have not taken the nationality of the host country, since they may continue to be subject to the influence and pressure of their home country's government, whose interference in national politics, even if it is indirect, is not acceptable. On the other hand, there would appear to be every reason to encourage immigrants' participation, in a form as yet to be decided, in local civic life, in which they are and must be fully accepted.

For an immigrant, integration in the host country culminates in access to the nationality of that country, which should be facilitated when the conditions of integration are fulfilled. This need not mean breaking off cultural ties with the home country, which would indeed often be regrettable; as mentioned earlier, certain elements of that background can enrich the culture of the host country. A solution might perhaps be found by accepting the possibility of dual nationality. Some countries, but as yet only a minority, already do this.

b) As regards the home country

The migrant's relations with his home country raise many problems, some of which have already been mentioned: preservation of cultural ties, freedom to transfer some earnings and savings to the family left behind, etc.

The most difficult problem concerns the migrant's return home. Everyone agrees that he must be free to do so, but of his own volition, not under constraint.

Return must also be on good terms for the migrant. This calls for a special effort from the home country, not only to resettle the migrant successfully in a social environment which he may have left many years previously, but also in such a way that his return favours the home country's economic development. The host country which the migrant leaves could also contribute to this economic and social resettlement, especially if it has prompted the migrant's return for reasons connected with its own economic situation. Some experiments are being conducted in this area, but the results so far have been meagre. Studies should be undertaken or carried a stage further so that the initiatives already under way can be extended, and host and home countries should consult together on the best conditions for resettlement, to be arrived at by mutual consent.

ii) Position of the illegal immigrant

The problem of illegal immigration is a particularly difficult one. An illegal immigrant may have crossed the frontier clandestinely; or he may have entered legally, for example as a tourist or a student; or he may be a worker whose residence permit has expired and not been renewed.

It is well known that frontiers are far from impermeable and that illegal crossings are relatively frequent. Whatever is done to restrict such entries, they can never be prevented altogether.

Apart from the potential threat to security and public order, the main point is that a foreigner whose presence in a country is illegal generates the same kind of problem as a national who works undeclared, contravening national and labour legislation, evading tax and failing to comply with social security regulations -- in other words, he is part of the "underground economy" operating outside the legal framework.

It is sometimes argued that the existence of a black market economy makes economic activity in general more flexible and must therefore be tolerated or even encouraged. This is hard to accept, whether those who work in it are nationals or foreigners. The latter, in any case, are usually sweated labour, deprived of all legal guarantees by unscrupulous employers.

Generally speaking, all countries condemn these illicit practices, but the action they take differs a great deal from one to the other. Some impose penalties on the migrant alone and not on the employer, others on the employer and not the migrant, and others again on both; some countries turn a blind eye or from time to time regularise situations considered worthy of interest, even if by doing so they encourage a further influx of illegal migrants. There is no agreement on any one procedure, and none seems to have brought satisfactory results.

Illegal activity cannot be tolerated. Not only is it a threat to public order, it also competes unfairly with firms and workers who obey the law. On the other hand, the workers who accept undeclared employment are men and women, and so entitled to all the fundamental human rights. Would it be conceivable, for example, to refuse medical treatment to foreigners who are sick or fall victim to an accident, just because their papers are not in order? Moreover, allowing them the same industrial rights as a regularly declared worker also means imposing the related social charges on the employer, and thus reducing unfair competition with legal workers.

As matters stand at present, we can do no more than state the problem, fully aware that there will probably always be fairly large numbers of undeclared workers, foreigners in particular, and that the problem they raise has not so far been solved.

II. THE MEDIUM- AND LONG-TERM FUTURE

The preceding remarks refer to the most immediate concerns. The medium- and long-term future of migration raises other issues that are more difficult to circumscribe and solve, since they are governed by so many largely unpredictable factors.

What are these factors? What policy do they call for? These are the questions which must now be addressed.

New factors

The first factor is the demographic trend, which is at present very different in the developed industrial countries and in the developing countries.

The former are experiencing a fertility crisis leading to a standstill in population size and, for many of them, the non-replacement of the older generation. It is true that in many of these countries the total population is rising slowly and will continue to do so in the coming years, with the working population remaining more or less stable over the same period. But this population will age: the new generations will produce fewer and fewer young people to replace older workers.

The developing countries, on the other hand, will go on experiencing high demographic growth for another 30 or 40 years, and so have a growing population, probably without the capital and technical know-how that will be necessary if work is to be found for their surplus labour.

This will inevitably put increasing pressure on nationals of the developing countries, who will seek openings in the ageing developed countries, whether through official channels or otherwise. This pressure may lead to consequences far more serious than the culture clashes of earlier migrations, and perhaps even to violent confrontations.

Since the same causes produce the same effects, it may be that as the economic strength of the developing countries increases their rate of population growth will decline, so that in 60 or 80 years' time a new demographic balance will be struck, with a relative stabilisation of world populations; but before this occurs it is likely that there will be an upheaval in the situation on both sides.

Technological change will be another key factor in determining migratory movements in the long term. Technology has made giant strides over the last ten or twenty years, and this is likely to continue over the next few decades. There is a growing tendency to replace men by machines. First the developed, then the developing countries, will need less and less unskilled labour and more and more specialists, or at least well-trained middle management and technicians, whereas migratory flows today are still of unskilled labour -- just as they always were in the past.

Another point is that these migratory flows used to be mainly of male workers. But the constantly growing number of jobs in the tertiary sector will require the employment of women workers, who in the past have been less inclined to be mobile.

In short, profound changes in the essential features of migratory movements are to be expected.

Policies to be applied

Given the impact of this combination of factors, what approach should be taken? What policy ought to be applied?

To begin with, the probable trend highlights the vital importance of promoting the economic progress of the developing countries. First, rising standards of living there should reduce their rate of demographic growth; and second, bringing capital to the areas where human resources are to be found will create jobs for the surplus manpower. These two factors together will relieve (but not remove) the pressure by the developing countries' populations to enter the older industrialised countries, and at the same time be conducive to peaceful and gradual migratory flows.

But it will still be necessary to define and apply a migration policy in order to channel and guide the migratory flows in as orderly a manner as possible.

a) First, the demographic imbalance between the older industrial countries and the developing countries should be reduced by doing everything possible to sustain the birthrate in the former so that generations are at least replaced and, conversely, working towards a lower birthrate in the developing countries. Here again, the combination of the two policies should ease the pressure brought to bear by the population of the developing countries on the developed countries.

b) Secondly, in the common interest of all the populations concerned, migratory movements should be modified. Migration should be slow and gradual, with no mass movement of men, women and children. This is the *sine qua non* if migrants are to move from one country to another in optimum conditions and settle down in the host environment. Migration should also be more selective than in the past, and migrants should be provided by the sending and receiving countries, working together, with the training they will need for their full social and occupational integration as part of the population of the latter.

c) It will still be necessary to create the right climate so that the host country population understands and is ready to receive the immigrants, a climate that will encourage the development of multicultural societies. Achieving this will require long perseverance, the use of every educational and informational means and the creation and nurturing of a state of mind that today is still all too rare.

While the migration policies of all the countries concerned should be based on these considerations, national policies will nevertheless differ, depending on economic conditions and the labour market situation in each country, as well as on the prevailing psychological climate (if only because of the differences of interest that naturally exist between countries with an industrial economy and those whose economy is mainly agricultural, between developed and developing countries, and between emigration and immigration countries). Nevertheless, the growing interdependence between all countries and all parts of the world calls for a common concerted effort to achieve the desired goal, for bilateral agreements between home and host countries and for a collective policy on the part of countries belonging to the same regional community, with the same level of economic development and sharing the same culture. This is an essential condition for the success of the future policy or policies adopted. Above all, perhaps, migration policy will have to develop day by day until it becomes an integral part of overall economic and social policy at regional, national and worldwide levels, closely combining technological and economic development with demographic and human concerns.

In this context, what role can the OECD play, what role must it play for the future of migration? The May 1986 Conference has demonstrated the importance and interest of the Organisation's work. Its role is not to establish binding standards or even to promote formal agreements, but rather to facilitate exchanges of information and views among all concerned, to carry out objective and scientific studies and, on that basis, to sponsor informal consultations between the authorities of Member countries. This methodology is effective and fruitful, and is fundamentally consistent with the OECD's self-appointed overall task as defined by the Secretary-General of the Organisation in a booklet published in September 1985: "The OECD is not a supranational organisation, but a place where policy-makers can meet and discuss their problems, where governments can compare their points of view and their experience. The Secretariat is there to find and point out the way to go, to act as a catalyst. Its role is not academic; nor does it have the authority to impose its ideas. Its power lies in its capacity for intellectual persuasion".

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Part I

LONG-TERM ASPECTS OF INTERNATIONAL MIGRATION FLOWS

LONG-TERM ASPECTS OF INTERNATIONAL MIGRATION FLOWS
THE EXPERIENCE OF EUROPEAN RECEIVING COUNTRIES

Denis Maillat

INTRODUCTION

The history of European migration over the last thirty years is a rich one: starting on a small scale, flows gradually increased, intermingled, separated and then decreased, though without disappearing entirely. Economic, political and social considerations, in turn or together, dictated immigration policies which were fairly liberal at the outset, but which became more restrictive before culminating in steps to enforce a ban; flows continued nevertheless.

The content of flows has changed with time: from immigration of workers initially, later followed by family reunification. Moreover, owing to the prolongation of residence and the arrival of families, the proportion of economically inactive foreign residents increased and the number of foreign children born in the host country grew, creating problems of integration. With the economic crisis, new problems appeared, such as unemployment among foreigners, the difficulties associated with returns to the country of origin and an increase in the number of illegal immigrants.

The object of this study is to identify and contrast the main trends in this development and to bring to light the principal mechanisms which have governed immigration. After reviewing the size of the foreign population in the various receiving countries (Section I), the main phases of European immigration are analysed (Section II); this is followed by a description of how labour immigration turned into family reunification (Section III). Section IV explains how immigration affects the working of the labour market. Finally, Section V deals with certain aspects of the relations between receiving and sending countries.

The statistics used in this paper have been taken from the most reliable sources available. They are, nevertheless, often incomplete or approximate and must therefore essentially be considered as indicating trends only.

I. TRENDS IN FOREIGN POPULATION SIZE SINCE 1950

Over the last three decades, migrations in Europe have taken place on a considerable scale. Between 1950 and 1982, the number of foreign residents practically tripled, increasing from 5.1 to 14.5 million (Table 1). In the traditional receiving countries (Belgium, France, Germany, Luxembourg, the Netherlands, Sweden and Switzerland), this trend has been even more marked since numbers increased from 3.1 to 11.2 million. Table 1 shows a trend towards foreigners taking up residence in other European countries as well. While the six main receiving countries have taken in the order of 70 to 80 per cent of all immigrants over the last three decades, the number of migrants going to certain sending countries (Italy, Greece and Spain) has also increased significantly, a movement that accelerated in the second half of the 1970s.

Switzerland is one of the few countries to have recorded a significant drop in the size of its foreign population over the last decade. In Sweden, the decrease is due in large measure to naturalisation. In most of the other European countries, the number of foreign residents has continued to increase in spite of the economic crisis, though Penninx (1984) notes that over the period 1976 to 1982, this increase was generally smaller than before. The situation seems to have stabilised over the last two or three years [SOPEMI (1983)].

In relative terms, i.e. as a percentage of the resident population, the small countries of Liechtenstein and Luxembourg come first, with foreigners accounting for one-third and one-quarter respectively of the total population (Table 1). Switzerland, with 15 per cent, is third. Then follow Belgium, Germany, France, Sweden, Austria and the Netherlands, in that order, with proportions of between 9 and 4 per cent. Such percentages have rarely been equalled in the past. When immigration between the wars was at its height, the highest figures were of the order of 3 per cent, with the notable exception of Switzerland, where the percentage was 14.7.

II. THE MAIN PHASES OF MIGRATION IN EUROPE

The various phases of immigration flows

The pattern of immigration flows over time is very far from being linear -- Figure 1 shows the extent to which they are sensitive to fluctuations in the short term. In the case of Germany or France, movements can almost be described as cyclical. In these countries, as in Switzerland, the first wave of immigration subsided in 1958, then built up again very quickly until the middle of the 1960s, with the recession of 1967-68 marking the end of the second phase. Germany, in particular, had far fewer arrivals and -- much more than had been the case at the end of the 1950s -- economic stagnation led to an increased number of departures.

From 1968 onwards, recovery was as rapid as during the preceding period. The year 1970 corresponds to the peak of this third phase, with record numbers of immigrants entering the main host countries. Only

Table 1

NUMBERS OF FOREIGN RESIDENTS IN EUROPEAN COUNTRIES
(in thousands and percentage in total population) (*)

	1950		1970		1982	
	(000s)	%	(000s)	%	(000s)	%
Austria	323 a	4.7	212 b	2.8	291 b	4.2
Belgium	368 a	4.3	696 aba	7.2	886 bc	9.0
Denmark	*	*	*	*	102 bc	2.0
Finland	11 a	0.3	6 b	0.1	12	0.3
France	1 765	4.1	2 621 bc	5.3	3 680 b	6.8
Germany	568	1.1	2 977 abc	4.9	4 667 bc	7.6
Greece	31 a	0.4	93 a	1.1	260 b	2.7
Ireland	*	*	*	*	69 b	2.0
Italy	47 a	0.1	*	*	312 b	0.5
Liechtenstein	3 b	19.6	7 b	36.0	9 b	36.1
Luxembourg	29 a	9.9	63 ac	18.4	96 bc	26.3
Netherlands	104 a	1.1	255 c	2.0	538 bc	3.8
Norway	16 a	0.5	*	*	86 b	2.1
Portugal	21 a	0.3	*	*	64 b	0.6
Spain	93 a	0.3	291 a	0.9	418 b	1.1
Sweden	124 a	1.8	411 a	5.1	406 b	4.9
Switzerland	285 a	6.1	1 080 a	17.2	960 b	15.0
United Kingdom	*	*	*	*	1 638 b	3.1
Europe (estimates in millions)	5.1		10.2		14.5	

* The data that seemed the most accurate have been selected from amongst the documentation available. To obtain the estimated bottom line total, an estimate of the missing figures (indicated by an asterisk) was made using linear interpolation. These tables should therefore be considered as approximations.

Sources: a) United Nations (1980a); b) Penninx (1984); c) EUROSTAT Demographic Statistics; national sources (France: 1954, 1962, 1968, 1975 and 1982 censuses); author's own calculations.

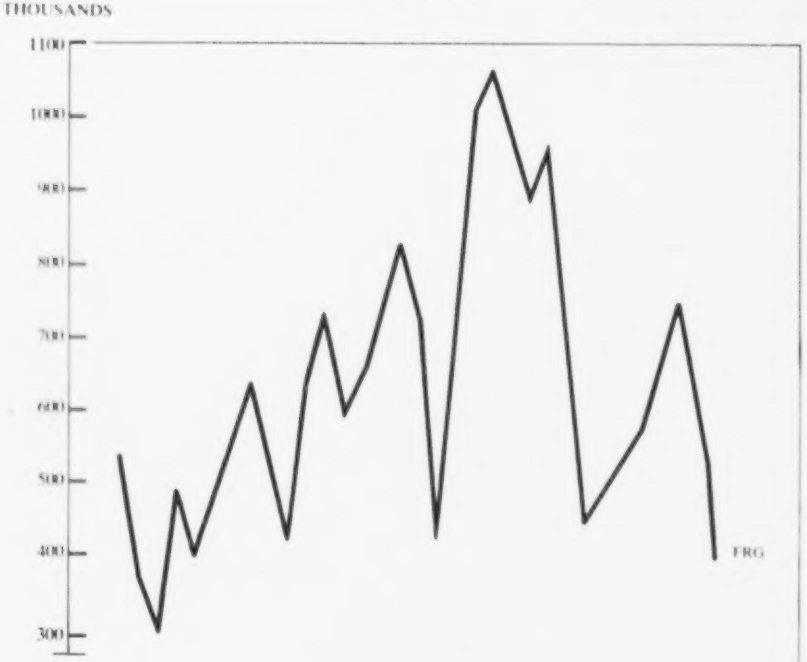
Switzerland constituted an exception: there, immigration had already peaked in 1963, and the subsequent downward trend resulted in part from the restrictive policy adopted by the Swiss authorities in order to prevent the economy from overheating and to reduce the political tensions brought about by the presence of foreigners [Maillat (1974)].

The economic crisis which followed the first "oil shock" and was at its worst in 1974-75 not only marked the end of the third phase but also led to a

Figure 1

IMMIGRATION FLOW

Thousands



Sources: United Nations (1980 a)(b); Penninx (1984).

profound change in migratory patterns. From then on, the main receiving countries decided to prevent the immigration of any more foreign workers. The drop in immigration was particularly marked in France and Germany -- in the latter, as during the preceding phase, departures exceeded arrivals.

A fourth period started in 1976 when immigration began again, though generally on a more limited scale than before. However, the continuing immigration of families and an improvement in the economic climate in the early 1980s led to a marked increase in the number of arrivals in Germany; in the Netherlands, too, immigration increased far more than the average. In France, the regularisation of the situation of illegal immigrant workers led to an artificial increase in recorded flows between 1981 and 1982.

Extension of catchment areas

The large increase in migratory flows towards Western Europe coincided with a shift in the geographical origin of these flows which falls into three main phases. The first, which followed the immediate post-war period, was dominated by emigration from Italy, a trend which had begun earlier, since between the wars Italy already supplied a large part of the foreign labour force in France, Switzerland and Belgium. Emigration from Italy reached a peak in the first half of the 1960s. Subsequently, the country's own economic development made emigration less attractive, and the reservoir of labour that Italy had provided for the other European countries gradually dried up.

The countries of Western Europe therefore turned towards other sources of manpower and extended their area of recruitment first to the whole of Southern Europe and then to all countries with a Mediterranean coastline. If the various sending countries can be ranked, Spain is highest during this second period -- indeed, the graph of emigration from Spain resembles that of Italy a few years earlier. Two other Southern European countries, Greece and Portugal, whose emigration peaked around 1970, were major catchment areas while Algeria also deserves a mention in this period. The number of nationals from these countries resident in Western Europe increased between 1970 and 1982. The proportion of Italian nationals in the foreign population, on the other hand, decreased, despite a substantial second generation element.

In the third and last period, three other countries reached prominence. Their levels of emigration were insignificant in 1960, but developed in the subsequent decade and continued at a high level in spite of the economic crisis; their stock of emigrants was further swelled by a very high birth-rate. The most spectacular example is that of Turkey, which saw the number of its nationals settled abroad increase by a factor of 3.5 between 1970 and 1982. Emigration from Morocco and Tunisia, though on a smaller scale, followed a similar pattern.

Yugoslavia also recorded a large increase in emigration after 1960, but this was followed by a downswing during the 1970s so that it properly belongs in between the last two periods.

III. FROM LABOUR IMMIGRATION TO FAMILY REUNION

With the passage of time and the increase in migration, the socio-economic characteristics of immigrants have changed. The very nature of immigration has been transformed by the combined effects of economic, political and social factors.

The process of change

For many years, most receiving countries considered that they were dealing with labour immigration of a temporary nature: the term "guest worker" captures this well. It was assumed that, after a certain period of working in the host country, immigrants would naturally return to their countries of origin and be replaced by other immigrant workers ("turnover migration"). This being so, returns were neither organised nor mandatory -- they resulted from the play of market forces and the goals which the immigrants had set for themselves. As Böhning wrote (1984), it was often felt that foreigners were invited to stay in the hope that they would go back again of their own accord. The administrative rules were not really designed to encourage migrants to return home for economic reasons. Indeed, it was usually assumed that the foreign worker would, after several years of earning, return to his own country with his savings. Surveys helped to give some support to this idea, but "it was forgotten that such surveys reflect only the subjective intention of the moment, which may perhaps persist as an idea, but becomes less and less likely as the stay in the country of recruitment is prolonged" [Werner and König (1984)].

In fact, the lengths of stay were indeed extended and the legal position of a large number of immigrants strengthened by the acquisition of a permanent work or residence permit. Rather than returning to their country of origin after a few years, many migrant workers sent for members of their families (when this was allowed under the host country legislation). From then on, the countries which had encouraged the temporary immigration of workers in order to solve their manpower shortage problems had to assume the consequences of immigrant families settling permanently. The nature of immigration was changing imperceptibly: it was no longer dictated by the market situation, i.e. by economic reasons, but increasingly reflected social or political factors.

Although today there is a noticeable trend towards making family reunion more difficult, conditions have been created that will ensure an endogenous growth of the foreign population in the traditional receiving countries of Western Europe. Already in 1974, SOPEMI highlighted this development and the problems which would be created for the rest of the 1970s:

> "... the abrupt, but not unexpected, change in migration policies revealed in 1974 undoubtedly means the end of a phase during which manpower movements in Europe were at an exceptionally high level and not altogether unambiguous ... Recourse to foreign workers will be effected by other means than limited substitution flows and topping-up of stocks; it will occur rather through the entry into active life of those members of families, ever more numerous, who have come to join

> the workers; the phenomenon of the growth of the foreign labour force is already marked, in all countries of immigration, by initial hirings of women and young people in large numbers, at the same time as 'family reunions' continue to develop. On the one hand, the family reunions tend to increase the numbers of the foreign population which certain countries wish at all costs to stabilise. On the other hand, the second generation of foreign workers, the sons and daughters of immigrants, will be more demanding than the first, and will not accept distasteful and ill-regarded employment ..." [SOPEMI (1974)].

The lesson to be drawn from the history of European "temporary worker" migration is that migration is a process which, from the outset, bears implicit within itself a certain sequence of events. First the migrant workers arrive, followed by members of the immigrants' families, and finally the wives and children of immigrant workers enter the labour market. Nearly all European countries share this same experience. The only differences are in scale and in the length of time between the various stages in the process [Tapinos (1982)].

The consequences of family reunion

Dependency ratios

The impact of family reunion can be seen in the changing percentages of economically active persons amongst new immigrants. From around 80 per cent in the first half of the 1960s, this proportion has often dropped below 50 per cent in recent years. Generally speaking, economically inactive immigrants have outnumbered economically active ones in inflows over the last ten years, as is clearly shown by the example of France (Figure 2).

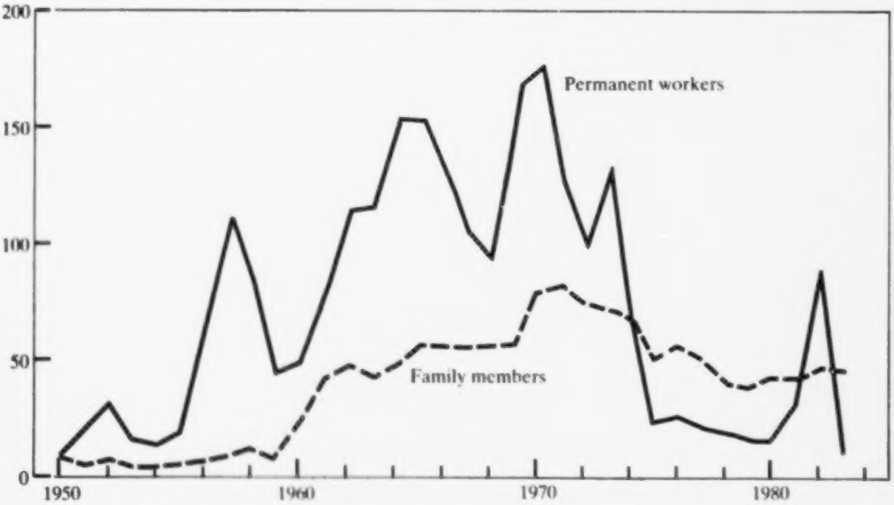
With regard to stocks, the labour immigration of the 1960s generally led to an increase in the proportion of economically active (Table 2). But during the following decade, demographic and economic changes caused this proportion to fall. It will be noted that the dependency ratio fell first of all in those countries which had already experienced immigration for some time (Switzerland, France and Belgium). Table 2 also shows that the ratio is significantly higher in Switzerland and Germany, countries which had given priority to labour immigration. The drop in the proportion of economically active persons was particularly steep in the second half of the 1970s.

Femininity ratio

The drop in the dependency ratio also corresponds to a change in the sex ratio within the immigrant population. Initial, new immigrants are normally men [United Nations (1980a)], and the number of women per hundred men even tends to fall during the first years of immigration. The subsequent arrival of wives reverses this trend. Table 3, based on stocks, shows that the proportion of women among foreigners remains lower than that recorded in the indigenous population, a difference explained in part by the age-structure of these populations. The recent trend shows that the proportion of females in Germany and Switzerland has ceased to grow, no doubt because of a new wave of male immigration.

Figure 2

FRANCE: INFLOWS OF PERMANENT WORKERS AND FAMILY MEMBERS



Sources: Office National de l'Immigration, ONI (France), Penninx (1984); Werner (1983).

The demographic consequences

Using the Federal Republic of Germany as an example of the effects of age-structure and fertility, it can be seen that the profile of new immigrants changed little until the 1970s (Figure 3). There was, admittedly, an increase in the proportion of women and children but the change was far from spectacular. In fact, changes in the population pyramid reflect the birth of children to foreign couples already residing in the host countries. This trend broadens the base of the foreign population pyramid, while family reunification tends to fill it out at the middle and the top. Thus, the demographic structure of the immigrant population gradually comes to resemble that of the indigenous population. The first demographic effect of immigration was to fill the gaps in the population pyramid of Western European countries left by the crisis of the 1930s and the last world war. The second effect was a complementary one: immigrants' offspring make up for the drop in fertility amongst nationals since the 1960s. This effect on fertility is, however, most often temporary since, as the length of stay increases, the demographic behaviour of immigrants falls into line with that of the indigenous population. As the example of Germany shows, fertility varies widely depending on national origin, but has fallen in all groups (Table 4).

Table 2

PERCENTAGE OF ECONOMICALLY ACTIVE IN THE FOREIGN POPULATION

	1960	1970	1981 (a)
Belgium	37.4	36.8	36.8
France	48.8	46.0	38.9
Germany	67.1	70.8	50.9
Netherlands	39.5	53.2	39.0
Sweden	49.6	52.4	*
Switzerland (b)	72.1	60.8	60.4

* Not available.

a) The rate is calculated on the basis of the EEC countries labour force survey.

b) 1980 census.

Sources: United Nations (1980a); EUROSTAT; author's own calculations.

Table 3

FEMININITY RATIO (NUMBER OF WOMEN PER 100 MEN) IN THE FOREIGN POPULATION IN THE MAIN HOST COUNTRIES

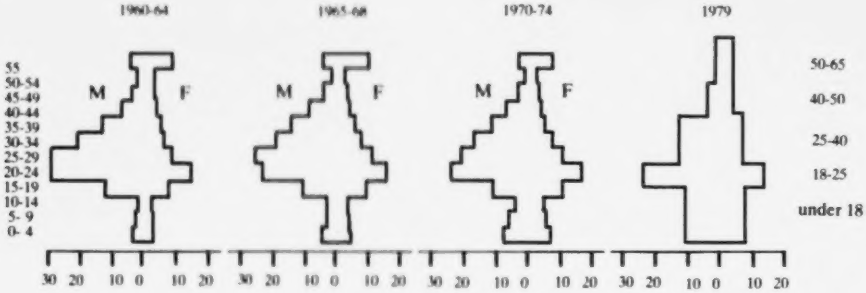
	1960	1970	1975	1980
Austria	83	83	*	79
Belgium	84	84	*	83
France	*	65	67	75
Germany	45	60	78	72
Luxembourg	96	98	*	98
Netherlands	90	56	61	74
Sweden	96	86	92	96
Switzerland	77	79	87	83

* Not available.

Sources: United Nations (1980a); Penninx (1984); national data; author's own calculations.

Figure 3

IMMIGRATION POPULATION PYRAMID (FLOWS) IN THE FEDERAL REPUBLIC OF GERMANY



Sources: United Nations (1980b); Hoehn *et al*. (1981).

Table 4

TOTAL FERTILITY RATE IN THE FEDERAL REPUBLIC OF GERMANY BY NATIONALITY
(number of children per 1 000 women)

Women's nationality	1975	1977	1979	1981	Index 1981 (1975 = 100)
German	1 339	1 321	1 301	1 359	101.5
Foreign	2 643	2 399	2 323	2 278	86.2
of which :					
Turkish	4 302	3 807	3 639	3 485	81.0
Italian	2 336	2 088	2 061	1 996	85.4
Greek	2 837	2 241	1 982	1 752	61.8
Yugoslav	2 146	2 071	2 046	1 905	88.8
Portuguese	2 212	1 929	1 634	1 706	77.1
Spanish	2 000	1 912	1 719	1 609	80.5

Source: Hussmanns *et al*. (1983).

Table 5

THE COMPONENTS OF FOREIGN POPULATION MOVEMENT (a)

	Foreign population stock (000s)			Components of population movement (000s)			Naturalisations	
	1976	1982	Change 1976-1982	Natural surplus	Migratory balance	Naturali-sations	As a % of the foreign popula-tion	As a % of the total population
Austria	270.8	319.1	48.3	30.5	61.5	-43.6	16.1	0.6
Belgium	835.4	885.7	50.3	87.1	31.8	-45.1	5.4	0.5
Germany	3 948.3	4 666.9	718.6	426.7	403.5	-91.3	2.3	0.1
Netherlands	350.5	537.6	187.1	63.1	209.3	-76.1	21.9	0.6
Sweden	418.0	405.5	-12.5	40.9	97.3	-131.4	31.4	1.6
Switzerland	1 038.8	942.0	-96.8	66.0	-37.5	-125.3	12.1	2.0

a) The sum of the components of population movement does not in all cases correspond with the changes in column 3, because the dates when figures are returned do not always coincide.

Sources: Penninx (1984); author's own calculations.

Even though the foreign fertility rate tends to drop, the number of births remains high enough to produce a sizeable natural increase in the foreign population. It is, then, interesting to compare the natural increase with the balance of migration for the main receiving countries. Any such comparison must be interpreted with care, however, for it depends on the period considered. For the period 1976-82, and for the six countries in question, the natural increase was as large as, or larger than, the balance of migration (Table 5). This was particularly true for Germany, Belgium and Switzerland. It can also be seen from Table 5 that foreign population stocks are affected by naturalisations: Sweden and Switzerland are both notable for the large number of naturalisations, which here exceeded the sum of natural increase and migratory balance. At the other end of the scale, the weight of naturalisations is much less in Germany and Belgium, to some extent reflecting the policy adopted by each country in this regard. The proportion of naturalisations is also high, in relative terms, in Austria and the Netherlands. If for the period considered, the total resident population (nationals plus foreigners) is taken as the denominator, Switzerland has the highest percentage (2 per cent), which doubtless reflects the scale and long-standing nature of immigration in Switzerland.

The emergence of the second generation

One of the most striking aspects of family reunification is the emergence of a second generation of foreigners (children who have either been born in the parents' immigration country or who have come to join them). In the main receiving countries, the number of children and adolescents under age 15 has increased considerably over the past twenty years (Table 6) -- in relative terms they make up between a quarter and a third of the foreign population. These figures give an indication of the problems and dilemmas which arise or will arise with respect to schooling, training, integration and insertion in the labour market.

Table 6

CHANGES IN THE NUMBERS OF YOUNG FOREIGNERS AGED UNDER 15, AND AS A PERCENTAGE OF THE TOTAL FOREIGN POPULATION

	1960		1970		1981	
	(000s)	%	(000s)	%	(000s)	%
Austria	*	*	32	17.8	64	22.0
Belgium	150	33.1	231	33.1	281	32.0
France	*	*	569	21.4	949	25.8
Germany	107	15.7	441	18.1	1 093	23.6
Netherlands	32	27.6	58	22.9	168	32.2
Sweden	53	28.0	120	29.4	*	*
Switzerland	78	13.3	269	24.9	198	21.0

* Not available.

Sources: United Nations (1980a); EUROSTAT; national data; author's own calculations.

IV. IMMIGRATION AND THE LABOUR MARKET

The cumulative process and the effect of diffusion

The roles played today by foreign workers in the labour market stem from a series of processes and chains of events which began in the 1950s, since at that time foreign manpower was first recruited on a large scale (labour migration). At first, this recourse to foreign manpower was thought to be a temporary expedient, the assumption being that it was related to short-term expansion. It was not fully realised that economic growth was going to continue. Because of this uncertainty as to the pace and durability of economic growth, most countries favoured immigration based on the rotation principle (turnover immigration) and assumed that, should there be a downturn in the economy, the immigrants would return to their country of origin.

As of the 1960s, circumstances gradually forced changes in this pattern. When post-war growth began in earnest it led to persistent demand for labour. In consequence, this demand became increasingly structural and led to a cumulative process. The employment of foreigners, initially confined to low-paid jobs in isolated pockets of industry, soon spread to low-status jobs in other sectors of the economy [Böhning (1974)].

While in a first phase, therefore, immigrant workers were directed towards certain industries, gradually the need for foreign manpower became apparent in all branches of the economy, and more particularly in the secondary sector. This infiltration of foreign manpower throughout the whole economic system generated a permanent (structural) need for immigrant flows, as nationals of the countries concerned abandoned low-status jobs for more socially acceptable ones. First, the jobs deserted by nationals because of low wages, unpleasant working conditions and low social status were taken over by immigrants and then, in their turn, the longest-standing immigrant categories began to fill more attractive posts. In the end, to keep this process running smoothly, the labour market requires a constant supply of manpower for the lowest-paid jobs (new immigrants). And once the infiltration process of diffusion has gone far enough, some branches of industry would be unable to survive without the presence of foreign workers. What is more, the interdependence of the jobs held by foreigners and those held by nationals is such that the abolition of the former would lead to the disappearance of the latter.

It should be noted that the cumulative process is sustained by immigration itself, since this penetration of the system entails longer stays and family reunification. The needs of foreigners who settle more permanently increase and come to resemble those of nationals. New housing and new infrastructures are required for these people, final demand increases and necessitates the recruitment of new foreign workers.

Segmentation

When we speak of the spread of foreign manpower throughout the productive system, we mean that each branch recruits immmigrant workers to fill jobs at the lowest level, i.e. the least skilled, the most unpleasant, the lowest-paid and the least secure jobs. A division is created in this way between foreigners and nationals (including in the latter category certain foreigners, for example long-standing immigrants in Switzerland), who obtain more interesting jobs. Usually a two-tier labour market arises, in which foreigners and nationals are not interchangeable and are rarely in direct competition with each other. This segmentation is due to the legal status of the various categories of foreign worker, whose intersectoral and occupational mobility is limited, and to certain socio-economic characteristics, either of the foreigners themselves (lack of skills, language barrier, etc.), or of the industries in which they are employed (the concentration of insecure jobs in certain industries, assembly-line work, etc.).

The economic crisis revealed the extent of this segmentation, showing first of all that jobs held by foreigners are less secure than those filled by nationals (different trends in unemployment), and secondly, that it is difficult to substitute one category of labour for another.

With time, the differential between the labour force participation rate of the foreign population and that of nationals has narrowed (Table 7), but in spite of this trend, unemployment among foreigners remains higher than among nationals. The percentage of foreigners among the unemployed is disproportionately high compared with their share in the working population as a whole (Table 8). This over-representation of immigrants among the unemployed has varied little, however, since the beginning of the economic crisis. Young second-generation foreigners are particularly affected. In Germany, for instance, the percentage of unemployed young foreigners is much higher than the corresponding percentage of the total active population of the same age group (14 per cent and 7 per cent respectively in 1982); in Belgium, too, the rates are similar (14 and 9 per cent). Age and nationality are not the only factors determining unemployment. A German study [Cramer (1984)] adds the criteria of occupational training and sex; a detailed analysis shows that training is the most important factor in determining unemployment, followed by age and nationality, which means that the high rate of unemployment among young foreigners is due in large measure to their lack of skills.

In the final analysis, the differences in the unemployment rates of nationals and foreigners are indicative of the insecure nature of the jobs held by foreigners. Reasons for this vulnerability of foreign workers relate to their concentration in sectors in crisis, the high proportion of unskilled workers among them, their lack of any real negotiating power, and the fact that they are often the first in line in the event of redundancies [Verhaeren (1980)].

With the economic crisis and unemployment, it might have been expected that some nationals would try to obtain jobs which previously had been held exclusively by foreign workers. In fact, substitution of nationals for foreigners has been limited in scale [Verhaeren (1980)]. This low level of substitution confirms the structural role played by foreign labour and proves that the system of segmenting the market, which has militated against foreigners' upward mobility, also works in the opposite direction as a safety catch in that downward mobility does not match nationals' expectations [Moulier-Boutang and Garson (1984)]. Since immigrant workers (or some of them at least) do not have just any job in any branch of activity, it is difficult to replace them with nationals. This explains why the crisis has led to fewer returns than expected.

The role of stocks

Although the economic crisis revealed the segmentation of the labour market, it is nevertheless the case that circumstances have changed radically as compared with previous years. The context is no longer one of sustained growth but of the restructuring of industry. Overall, manpower needs are significantly lower. It may therefore be asked whether further immigration is necessary. There is unemployment, hence reserves of labour, in the receiving countries and the labour market can be supplied from stocks. In particular, foreign women and young people of the second generation can provide an endogenous supply of manpower for the labour market.

Even if a large proportion of foreign women who enter the labour market did not arrive with this goal in mind, having come as a result of family reunification, it is clear that after a certain length of stay some of them look for work. The proportion of such women has no doubt tended to increase considerably in recent years, although it is impossible to give accurate figures in this respect. In most cases, these foreign women have low-skilled and often insecure jobs, whether in manufacturing or service industries.

The young people of the second generation will certainly play a crucial role in the working population in the coming years and so represent a fundamental variable in the working of the labour market. In fact, their role will depend to a large extent on the quality of the education and training they receive in the host country and on the measures these countries take to facilitate their insertion in the labour market.

Table 7

LABOUR FORCE PARTICIPATION RATE OF THE FOREIGN POPULATION (AGED OVER 15)

	Labour force participation rate (of those over 15)			
	Foreigners			Total population
	1960	1970	1981	1981
Belgium	55.6	54.8	53.1	53.0
France	62.0	61.5	55.7	55.0
Germany	79.0	86.4	69.7	53.6
Netherlands	54.5	69.0	57.4	50.5
Sweden	68.8	62.0	*	*
Switzerland	83.1	81.0	76.4	71.8

* Not available.

Sources: United Nations (1980a); EUROSTAT; national data; author's own calculations.

Table 8

UNEMPLOYMENT AMONGST FOREIGNERS

	Foreign unemployed (in 000s and as % of total unemployed)				Foreign workers as % of the working population
	1974	1978	1981	1983	1981/1983
Belgium	13.0 (14.5)	41.6 (15.8)	55.1 (14.5)	78.6 (12.6)	6.5
France	40.8 (9.3	118.5 (11.0)	178.9 (10.8)	256.7 (11.9)	7.2
Germany	66.8 (12.0)	90.0 (10.4)	181.0 (14.4)	274.4 (12.9)	7.8
Netherlands	*	*	35.0	62.3	4.3
Sweden	*	11.0 (11.1)	9.9 (9.8)	*	5.4
Switzerland	*	2.2 (21.7)	1.3 (26.5)	8.3 (31.7)	19.3

* Not available.

Sources: OECD (1983); EUROSTAT; national data; author's own calculations.

According to Lebon (1981), the proportion of the second generation who begin their working lives in a limited number of occupational categories is as high as that of their fathers -- as manual workers in particular, and in those few industries which already employ a high percentage of immigrant workers.

> "Thus, although as a general rule there appears to be greater occupational mobility among young foreigners than among nationals of the same age, inter-generational mobility on the other hand seems to be limited, not to say non-existent. The studies consulted show that the jobs of second-generation immigrants break down by industry and level of skills in much the same way as those of their parents" [Lebon (1981)].

This would therefore seem to indicate that segmentation of the labour market continues.

The matter should not be viewed too rigidly, however. According to a study carried out in Austria, it seems that at least a third of foreign workers hold jobs which could put them in a situation of competition with nationals [Biffl *et al.* (1985)]. Furthermore, since most second generation young people were born and educated in the host country, it may be supposed that they will, in increasing numbers, refuse the jobs which immigrants have traditionally held. It must therefore be expected that, in spite of certain rigidities at present, a growing number of foreign workers from existing stocks will be looking for jobs similar to those of nationals. Such a trend will probably make it necessary to recruit new foreign workers to do the lowest-paid jobs. In the final analysis, there is no doubt that there exists a certain built-in momentum to migratory flows inasmuch as there will always be a need for workers to take on jobs with poor working conditions. Moreover, the developments of recent years confirm that this need for new immigrants is a permanent one.

The continuing need for new immigrants

The structure of foreign labour demand

Though labour demand has diminished, its structure has not changed fundamentally. The mechanisms which led to a concentration of immigrants in the secondary sector, i.e. manufacturing industries and construction, have continued to operate after the economic crisis, even though the secondary sector now accounts for a smaller proportion of overall employment. As an example of this continuing requirement in the secondary sector, some 84 per cent of emigrants from Italy in 1981 and 1982 were manual workers [SOPEMI (1983)]. Moreover, the service sector jobs increasingly held by foreigners are in areas which require few skills, for example the hotel and catering trade and public health institutions. Many more manual than white-collar jobs are involved here, as in all sectors where foreigners are to be found.

Nevertheless, since 1974 there has tended to be a change in the flows of legal new immigrants:

> "the percentage of young people has fallen considerably and, in terms of skills, there has been a significant drop in the percentage of unskilled workers (22.8 per cent in 1974, 2.6 per cent in 1980), a relative stabilization of numbers of skilled workers, and an ever-increasing percentage of managerial staff and technicians. These changes are due both to the large numbers of EEC nationals in the flows and to exceptions made in the case of highly qualified persons to the rules suspending immigration" [Marie (1983)].

The demand for new immigrant workers persists, since most immigration countries continue to record inflows. In fact, this demand is higher than is indicated by the statistics (Table 9) since illegal immigrants are not counted. These illegal flows constitute a new form of first-stage immigration.

Illegal immigration

In a certain sense, it is immigration policies that cause illegal immigration, since illegal immigrants are those who do not possess the necessary permits or no longer meet the conditions imposed upon them by national legislation. Unlawful migration was common in Western Europe in the 1960s and was often tolerated by governments which from time to time took measures to regularise the situation. But since the measures to halt lawful

Table 9

INFLOWS OF FOREIGN LABOUR INTO SELECTED OECD COUNTRIES, 1975-82
(in thousands)

Host country	1975	1976	1977	1978	1979	1980	1981	1982
Belgium	4.1	4.2	4.7	3.9	3.4	3.8	3.5	2.3
France	25.6	27.0	22.8	18.4	17.4	17.4	33.4	96.7
Germany	21.9	24.1	29.7	19.5	37.9	82.6	43.9	25.9
Switzerland	18.0	15.6	19.7	21.9	25.5	32.3	35.3	33.0

Source: SOPEMI (1983).

immigration, illegal immigration has in a way become much more "visible", and, since the adoption of restrictions, has increased steadily. Its volume is estimated by some at 10 per cent of the foreign population as a whole, though this is a field which, by definition, lacks accurate figures.

The position has been clearly set out by Marie:

> "illegal immigration has above all been a strategy adapted to the new institutional context, since it has, in recent years, resulted essentially in a continuation of past trends in the international movement of the labour force, though at a lower level... it offsets the stringent restrictions on the entry of low-skilled manpower by supplying workers willing to accept low-status jobs with poor working conditions and pay... whose arrival mitigates the new rigidities which are emerging in the foreign working population already resident and are related to longer length of stay, family reunification and the entry of young people onto the labour market, all factors which tend to make the established immigrants more demanding as to working conditions, pay and the right to be heard. In view of these changes, recourse to illegal immigrant workers may be interpreted as a movement towards replacing one category of foreigners by another contingent in a less secure position, with a view to more flexible management of the labour force" [Marie (1983)].

Demand for new immigrants therefore still exists, in spite of the fall in the overall demand for manpower as well as the increasing role played by stocks in supplying the labour market. This continuing demand is largely due to the segmentation of the labour market and, in particular, to the difficulty of finding workers willing to accept the least secure and lowest paid jobs. But it must not be forgotten that the continuance of this segmentation of the labour market is made possible by the persistent (and even increasing) pressure to emigrate that exists in more and more countries outside Europe as a result of poor economic and social conditions.

Refugees and asylum seekers

The influx of refugees is one of the most tragic aspects of the continued worsening of the economic and social situation in Third World countries. The number of refugees and asylum seekers increased greatly in the second half of the 1970s and in the early 1980s. Numerous conflicts, whether armed or not, have led to a considerable increase in the number of persons obliged to leave their countries of origin in Asia, Latin America, Africa or Eastern Europe.

In 1980, such refugees represented a significant proportion of the foreign population (Table 10). In France, it is estimated that refugees accounted for some 50 per cent of all regularisations of workers' situations between 1976 and 1978 [Ministère (1983)]. At the beginning of 1980, Germany recorded an even more spectacular inflow of refugees than France. The number of applications for asylum, for the most part by Turkish nationals, increased by a factor of 20 between 1971 and 1980. The German authorities in fact rejected many of these applications, since they believed that the persons concerned had come to the Federal Republic essentially for economic reasons [Lohrmann (1981)]. Asylum procedures in Germany were tightened, which partly explains the fall in numbers recorded as of 1981, and several other countries have done likewise.

Table 10

NUMBER OF REFUGEES RESIDING IN THE MAIN EUROPEAN IMMIGRATION COUNTRIES
IN JUNE 1980
(in thousands)

Austria	25	Netherlands	10
Belgium	33	Sweden	20
France	160	Switzerland	35-40
Germany	87	United Kingdom	146

Source: Lohrmann (1981).

While it is very difficult to weigh the motives of applicants for political asylum, the standard of living enjoyed in Western Europe undeniably constitutes an attraction. In the final analysis, these movements of persons -- whatever their motives -- must be seen as a new form of migratory flow and a contributory factor in illegal immigration. In most of the main receiving countries,

> "the number of those to whom the status of political refugee is granted is very small compared with actual entries, so much so that a situation where there is a de facto right of asylum has arisen. This, however, does not involve the granting of refugee status -- or the requisite permits -- to the persons concerned. In all European countries with a system of residence or work permits, this distinction between the right

> of asylum and the right to refugee status has the effect of steadily swelling the ranks of illegal migrants whose presence is tacitly tolerated but who cannot legally enter the labour market" [Moulier-Boutang and Garson (1984)].

V. THE MIGRATORY CHAIN

The concept and the measures envisaged

The economic crisis which followed the first oil shock was a turning point in migration policies. Prior to that time, the receiving countries, in spite of their strong position, had to negotiate migration agreements with an increasing number of countries in Southern Europe and around the Mediterranean in order to ensure the required volume of manpower.

The crisis showed that this mechanism could work in reverse, i.e. that the countries of Western Europe could export their unemployment to the countries providing labour. Returns then depend less and less on the wishes of those concerned and more and more on policies that deliberately encourage return to the country of origin, or on the pressure of circumstances. Hence the endeavour to improve the "migratory chain", i.e. to use the different phases of migration -- from the departure of the worker and his stay in the host country until his final return and reinsertion into the socio-economic life of his country of origin -- to the best advantage of the receiving country and of the worker himself [OECD (1979)]. The idea is to try to create, throughout the chain, increased opportunities for choice by the workers concerned, which implies adequate co-operation between receiving and sending countries. Moreover, in the context of a properly organised migratory chain, labour movement and capital transfer (which includes workers' remittances) would no longer be considered -- as they are now -- as separate and indeed unrelated phenomena. The overriding principle is that henceforth migration should be conceived of as co-operation between partners rather than as an exchange between unequal parties [OECD (1978)].

The OECD envisaged a series of actions to strengthen collaboration between emigration and immigration countries which would facilitate the reintegration of migrant workers [OECD (1978)]:

-- A more productive use of workers' remittances;

-- A closer co-operation between employment services in sending and receiving countries;

-- Programmes for selective return migration;

-- The transfer of production capacity from receiving to sending countries;

-- Regional development as an alternative to emigration.

These measures have been only partly implemented, however, and the migratory chain still needs to be properly organised.

Incentives to return

With the economic crisis, attempts were made in some countries (France, Germany, the Netherlands) to implement measures facilitating the reinsertion of migrants in their country of origin. The French measures for encouraging returns included, for example:

- A repatriation allowance in exchange for the surrender of residence and work permits and the departure of the worker and his family;
- Return training, consisting of the acceptance by the receiving country of responsibility for occupational training of the migrant worker to allow his reinsertion in the production system of his own country.

These measures, like those taken by the Netherlands, met with only limited success [Werner and König (1984)]. Both France and the Netherlands have now given them up or restricted them to specific cases (bilateral agreements).

More recently, Germany decided to pay premiums and subsidies to nationals of non-EEC Member countries who chose to return to their countries of origin, in the hope of reducing unemployment, and not out of concern for integrated organisation of the migratory chain. The French experience shows that such measures are rarely successful and do no more than speed the departure of immigrants who would have returned sooner or later anyway.

The migratory chain, the essential component being the worker himself, is in fact difficult to organise. Most migrants have little entrepreneurial experience and prefer to invest their foreign savings in a service activity, such as a café or a grocery store, which is more within their powers than starting up an industrial activity. Organisation is becoming all the more difficult to achieve in that there seems to be a growing reluctance to depart. The data in Table 11 show that return rates of non-EEC workers have fallen since the economic crisis.

Remittances

In fact, the most important element in assisting the development of sending countries is still remittances, i.e. the money which immigrants save and then send to their countries for the use of their families and/or to prepare their return. Thus, in some countries, the foreign currency brought in by emigrants' remittances, together with tourism, is the only means of covering the trade deficit and represents a very high proportion of export earnings (Table 12).

The economic crisis of the mid-1970s had an impact on the volume of remittances in that there was a reduction, though not a spectacular fall. In fact, variations in the volume of remittances depend as much on structural changes in migratory flows as on the economic situation, since it is new immigrants who account for the largest proportion of remittances. As soon as their stays are extended and their requirements become similar to those of nationals, they are less able to save and have less need to send money back to their country of origin. Thus for Italy or Spain the weight of remittances is relatively small as compared with GDP or export earnings, whereas for Portugal, Turkey, Yugoslavia and Morocco its importance has increased over the last decade.

Table 11

YEARLY RETURN RATES (a) IN SOME EUROPEAN COUNTRIES

Country	Year	EEC countries Nordic countries	Southern Mediterranean countries and Turkey	Northern Mediterranean countries	Third World countries
Denmark	1976	13.4	9.5	10.9	12.6
	1980	15.7	2.8	6.9	8.0
Germany	1976	13.8	11.9	13.8	15.1
	1980	12.3	4.8	8.6	11.3
	1981	12.7	4.6	8.3	11.7
Netherlands	1976	7.5	3.8	8.8	n.a.
	1980	7.4	1.9	4.5	4.3
	1982	6.9	2.9	4.9	3.7
Sweden	1976	4.8	1.8	3.2	5.0
	1980	5.4	0.7	4.2	3.3
	1982	6.3		3.2	2.7

a) Number of migrants returning to their countries of origin (in most cases: the number of emigrants from a given country) per year as a percentage of the total population of that nationality residing in the host country concerned at the beginning of the year in question.

Source: Penninx (1984).

Table 12

REMITTANCES BY MIGRANT WORKERS IN VALUE TERMS AND AS A PERCENTAGE OF EXPORT EARNINGS

	Net remittances in millions of dollars (a)			As % of exports of goods and non-financial services		
	1970	1975	1981	1970	1975	1981
Algeria	178.0	347.2	240.8	16.1	7.3	1.7
Italy	948.0	1 153.4	2 600.9	5.5	2.7	2.8
Morocco	27.0	489.3	965.6	3.9	24.5	31.7
Portugal	*	1 101.2	2 879.1	*	38.3	46.6
Spain	469.0	773.4	511.7	9.7	5.9	1.6
Tunisia	20.0	134.8	345.4	6.2	10.5	10.8
Turkey	273.0	1 312.5	2 499.5	35.4	65.0	47.9
Yugoslavia	441.0	1 574.8	4 050.4	18.3	25.8	30.1

* Not available.

a) The World Bank figures do not correspond exactly with the remittance statistics published by SOPEMI. Conversion into US dollars introduces a bias inasmuch as the value of the dollar against European currencies has fluctuated.

Source: World Bank (World tables, third edition).

In the final analysis, it is with the non-EEC countries that the different aspects of the migratory chain need to be redefined.

VI. CONCLUSIONS

The 1950s model based on turnover and labour migration changed with the increase in length of stay and the arrival of families. Foreign population increase now depends not only on entries but also on additions to the families of migrant stocks. Because of this fundamental change, these stocks and their various components, wives and young people of the second generation play an increasing role in supplying the requirements of the labour market. However, in spite of the availability of existing stocks within the immigration countries, inflows of new immigrants have not stopped, although they have fallen steeply since the onset of the economic crisis. The flows of legal immigrants have decreased, but the rapid growth in the numbers of illegal immigrants in most receiving countries is evidence that in spite of the economic crisis and attendant unemployment, the least secure jobs are still taken by new immigrants. In general, moreover, because of the rigidities arising from the segmentation of the labour market and the low level of foreigner/national substitution, the need for foreign manpower still exists -- hence a certain ambiguity in immigration policies. On the one hand, there is a desire to halt immigration in order to protect nationals; on the other hand, it is not easy to replace a foreign worker by a national. The flexibility needed for efficient working of the labour market therefore requires a certain tolerance of immigration. In the final analysis, the mechanisms that gave rise to "permanent" immigration still exist so that the structural need for immigrant workers has not disappeared. This relative inertia in the migratory process raises the tricky question of labour force management, encompassing stocks of foreign population as well as inflows (immigrants) and outflows (returns). The organisation of relations between the immigration and emigration countries also deserves further consideration.

Stock management implies a decompartmentalisation of the labour market and a higher degree of substitution between foreign and national workers. It also implies a need for better training and insertion of young foreigners into the job market. Ultimately, flexibility in the labour market requires increased inter-sectoral and inter-occupational mobility on the part of the various categories of worker. This is still far from being the case, as is clearly proved by the existence of unemployment alongside shortages of manpower. Increased mobility is not possible without modifying the status or content of the jobs which few at present will accept and, of course, without creation of new jobs. Be that as it may, the various categories comprising migratory stocks are still, for the moment, not very malleable. The elimination of rigidities and the decompartmentalisation of the labour market will take time. For the moment, many firms neither can nor want to give up the manpower constituted by new immigrants in view of the flexibility they undeniably provide. The management of new immigrant flows is therefore a problem to be solved. Which category is to be favoured: skilled or non-skilled? What status are they to be given: permanent or temporary? How are illegal immigrants to be dealt with? Replies must be found to all these questions. Solutions should also be found for the workers without training or skills whose return to the country of origin is deemed desirable. Premiums and other incentives will certainly not suffice. The management of flows has become all the more difficult in that recruitment areas are now larger. This will oblige the immigration countries to regulate in detail their dealings with those less-developed countries where the pressure to emigrate is extremely strong. Policies for controlling inflows will lose their credibility if they do not succeed in containing illegal immigration.

All in all, there are difficulties in managing the labour force of foreign origin whether it be flows or stocks, as much because of the complexity of current migratory dynamics as of the manifestations of xenophobia from which no country is now free. In periods of crisis and unemployment, it is all too easy to use foreigners as scapegoats. In such a climate, it is not easy to reconcile the needs of the economy, the economic, political and social integration of foreigners, and public discontent. It is therefore to be feared that a wait-and-see policy will be adopted in preference to a proper labour force reallocation policy which might adversely affect certain categories of national worker.

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THE EXPERIENCE IN THE MAIN GEOGRAPHICAL OECD AREAS
EUROPEAN SENDING COUNTRIES

Heiko Körner

I. INTRODUCTION

Much thought has been given in the scientific literature as well as in political discussions to the effects of workers' migration in Europe on both sending and receiving countries. In line with the development of the socio-economic situation in Europe, the thinking about migration-related economic and social phenomena has undergone a marked change. During the phase of vigorous economic expansion of the countries of North-western Europe in the 1960s, workers' migration was judged by the majority of observers to be beneficial to both groups [Tapinos (1974, pp. 172 ff.)]. With the advent of the first oil crisis in 1973 this assessment of workers' migration changed fundamentally. As European economic expansion began to level off, the need for foreign labour in the receiving countries diminished. In consequence, a new assessment of the existence of a large stock of migrant workers and their families, and its economic and social effects on the receiving countries' societies, appeared. Factors which in earlier years had been estimated as positive now appeared to be detrimental. Those countries which during the 1960s had been active in negotiating, facilitating and often supervising the importation of foreign labour therefore took measures to restrict the inflow of foreigners from the Southern European countries and to reduce the number of foreigners in their own labour markets.

However, the alleged beneficial consequences of labour market migration for the sending countries have also been called into question. The majority of observers now consider the emigration of a considerable part of the workforce of the sending countries to have been detrimental to their economic development. Instead of the short-term benefits connected with remittances and relief of unemployment, the negative long-term effects of emigration -- skill and manpower loss, weakening of the regional economic structures, inflation and the diversion of productive resources into consumption-oriented investment -- now dominate the debate [cf. for instance Böhning (1984, pp. 165 ff.); McLean Petras (1984)].

Previous ideas on how to deal with migration and its consequences for the mutual benefit of the countries involved -- for instance the concept of the "Migratory Chain" [OECD (1978a)] -- seem to be of minor relevance against the present background of restrictive political attitudes on the side of the host countries and a certain frustration on the side of the sending countries. The contemporary political situation is seemingly not very conducive to solutions of the intra-European migration problem in the interest of both the sending and the receiving countries. To convert this into a fruitful discussion between both groups of countries requires a critical reassessment of the costs and benefits of migration.

This paper seeks to identify the economic and social consequences of workers' migration for the sending countries. The experience of the last 25 years in Greece, Portugal, Spain, Turkey and Yugoslavia (Italy has been omitted because of its special status as a member of the EEC) has led to the presumption that short-term benefits of migration, under the pressure of international circumstances and certain policy stances of the sending countries themselves, have been converted into problems of social and economic development in the long run. The main body of the paper will therefore deal with some typical problems of socio-economic development related to migration that exist in most European sending countries. But consideration will also be given to whether these problems can be ascribed to other factors, especially to the manpower and migration policies of the receiving countries. Some tentative conclusions will be drawn as to the forms of development programmes which could benefit the sending countries, and ways in which these programmes might be assisted by financial and technical aid from the receiving countries.

II. SHORT-TERM AND LONG-TERM CONSEQUENCES OF MIGRATION

From a scientific point of view, the consequences of migration should be assessed on the basis of a formal cost-benefit analysis. However, especially in the case of the sending countries, this turns out to be a difficult task [Swamy (1985, pp. 62 ff.)]. The first problem is that many migration-related events are of a non-quantitative nature -- for instance, how does one measure in monetary terms the modernisation effects exerted by returning migrants on the economic and social environment? If one decides to neglect these intangibles, the next problem is that the statistical data necessary to evaluate the cost and benefits of migration in these countries, if available, are very often incomplete and unreliable. In this situation there is no alternative but to evaluate the main costs and benefits in an informal and piecemeal manner, and to refrain from trying to sum up the partial findings; the best guide here is the Kindleberger Report [OECD (1978b, p. 31)], which attempts to list the presumed effects of labour migration in a comprehensive manner.

For the purpose of the analysis undertaken in this overview, these factors can be grouped under three headings, namely:

- -- Remittances, balance-of-payments disequilibrium, and internal financing of investment and consumption;
- -- Migration, unemployment and human capital shortages;
- -- General effects of migration on growth and modernisation of the sending countries' economies.

In the following paragraphs, the relevant aspects of migration as well as the related policy stances of the respective governments will be discussed in detail.

Remittances, balance-of-payments disequilibrium and internal financing

There is no doubt that all the countries involved in this study have experienced serious balance-of-payments problems for a long time. The causes of this phenomenon are well known: first, all sending countries of the Mediterranean littoral have historically specialised in agricultural export crops on the basis of their special climatic conditions. Especially during the late 1950s and the 1960s, these advantages faded away as a consequence of the secular decline of the terms of trade, to the detriment of agricultural producers, a situation reinforced by the advent of new competitors in the Mediterranean Basin on the one hand, and by the build-up of the common agricultural policy of the EEC countries on the other. Thus a long-term trend of falling export earnings was unavoidable.

To compensate for this, the Mediterranean countries sought to industrialise rapidly by means of typical import-substitution policies. During the 1950s and the first half of the 1960s, these endeavours resulted in the creation of consumer goods and basic industries under the umbrella of (sometimes heavy) quantitative and tariff trade restrictions. In foreign trade terms, however, most of these efforts proved insufficiently competitive to bring home the additional export earnings hoped for by their governments [Donges et al. (1982, pp. 33 ff.). In addition, these import-substitution industries generated new import needs in the fields of capital goods and replacements, so that the import bill of all Mediterranean countries showed an ever-rising trend, and foreign trade equilibrium was never attained.

Some of the countries were able to close the balance-of-payments gap by the export of services (for instance, shipping in the case of Greece), but (as Table 1 shows) they were relying mainly upon capital imports, foreign aid and remittances from emigrants residing abroad.

When at the beginning of the 1960s, under the pull effect of the tight labour markets in North-western Europe, intra-European worker migration began (permitted by a partial liberalisation of labour movement by the receiving countries), this was seen by most of the governments of the sending countries as an opportunity to bring their balance of payments into equilibrium via mounting inflows of workers' remittances. Indeed, with growing numbers of workers being employed in the countries of North-western Europe, the stream of remittances became very important -- as Table 1 shows, in some sending countries the value of workers' remittances soon exceeded the value of traditional capital imports from private and official sources.

Moreover, the data presented in Table 2 suggest that most countries were able to finance a growing part of their imports by the foreign currency receipts generated by remittances. As a result, the foreign trade gap could be narrowed, at least in terms of formal balance-of-payments arithmetic.

This impressive performance of workers' remittances as a complementary factor to private capital imports, and at the same time as an expedient means

Table 1

BALANCE-OF-PAYMENTS POSITION OF THE SENDING COUNTRIES OF SOUTHERN EUROPE, 1970, 1975, 1981, 1983 (US $, million)

	Balance of current transactions				Migrant workers' remittances			
	1970 (a)	1975 (a)	1981 (b)	1983 (b)	1970 (c)	1975 (d)	1981 (e)	1983 (c)
Greece	-405	-999	-2408	-1878	333	782	1177	914
Portugal	354	-365	-2605	-1004	..	8211	2896	2120
Spain	79	-3553	-4989	-2480	469	970	521	930
Turkey	-70	-1841	1916	-1898	273	1458	2500	1514
Yugoslavia	-348	-1036	-961	275	441	1330	4050	3427

	Direct investment from private sources (net)				Public capital transfers (net)			
	1970 (a)	1975 (a)	1981 (b)	1983 (b)	1970 (c)	1976 (f)	1981 (e)	1983 (c)
Greece	50	24	520	439	102	-54	1225	1692
Portugal	66*	95	155	123	-45	143	1016	1228
Spain	668	217	1436	1379	145	1278	..	...
Turkey	58	153	95	46	200	357	1306	423
Yugoslavia	..	..	..	..	12	174	808	781

* 1972.
.. Not available.

Sources:

a) IMF, International Financial Statistics (August 1977).
b) IMF, International Financial Statistics (November 1985).
c) World Bank, World Development Report (1985).
d) OECD, Economic Surveys, various years (1977-86).
e) World Bank, World Development Report (1983).
f) World Bank, World Development Report (1978).

Table 2

MIGRANTS' REMITTANCES AS A SHARE OF EXPORT EARNINGS AND AS A SHARE OF IMPORT PAYMENTS (a) 1973-83

(Percentages)

	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
Exports											
Spain	11.6	8.4	6.9	5.6	4.7	4.3	3.6	3.5	3.0	2.5	..
Greece	31.6	22.3	22.1	20.2	21.0	17.7	17.3	12.9	14.4	..	..
Italy	2.9	2.0	2.2	3.0	2.5	1.3	1.3	1.2	1.2	1.3	..
Portugal	35.5	29.5	36.4	37.5	40.7	47.0	44.6	41.3	43.4	42.3	33.2
Turkey	63.8	65.7	56.5	33.9	42.3	33.4	48.7	49.7	38.7	..	..
Yugosalvia	29..7	25.5	26.5	26.4	28.1	35.3	29.5	30.8	39.3	42.1	..
Imports											
Spain	10.8	6.3	5.4	4.4	4.1	4.5	3.6	3.0	2.7	2.4	..
Greece	17.8	14.0	13.9	13.8	14.0	12.7	12.0	10.2	11.1	..	..
Italy	2.6	1.7	2.2	2.8	2.6	1.5	1.3	1.1	1.2	1.2	..
Portugal	28.1	18.8	22.7	21.2	22.4	29.1	31.8	27.1	25.0	23.9	23.6
Turkey	50.3	34.1	25.1	17.2	15.7	19.6	26.7	23.7	25.6	..	..
Yugoslavia	25.8	18.2	19.6	22.9	20.1	24.4	18.8	22.4	30.2	33.5	..

.. Not available.

a) Exports and imports of goods and services in National Accounts definitions.

Source: SOPEMI (various years) and OECD, National Accounts Statistics.

of financing the mounting import needs of the sending countries, soon was shaping the official attitude of the respective governments. It could be said that the beneficial balance-of-payments effect of workers' remittances developed into the "Leitmotiv" of the official attitude of the governments involved vis-à-vis the migration problem.

Accordingly, the Southern European countries in general adopted positive attitudes towards the temporary emigration of part of their workforces to the industrial countries of North-western Europe. Sometimes -- as in the case of Turkey -- labour migration was encouraged by official policy as a part of national development planning [(Adler (1981); Paine (1974, pp. 29 ff.)]. Other countries, like Yugoslavia, tolerated the workers' migration more passively, and at the same time implemented policies ultimately favouring return migration [Höpfner and Huber (1978)]. During the early 1960s Greece, Portugal, Spain, Turkey and Yugoslavia concluded agreements on the recruitment of workers with most of the receiving countries. These were implemented by the respective authorities until recruitment was stopped by the receiving countries ten years later [Entzinger (1978)].

In the short run this policy of the sending countries seemed to be vindicated: an increasing flow of workers' remittances did indeed mitigate the disequilibria of their balance of payments during the 1960s. However, the experience of the next period -- after the advent of the first oil crisis in 1973/74 -- reveals some weaknesses of this policy approach in the long run:

a) The flow of workers' remittances turned out to be highly dependent on the labour market situation of the receiving countries: with the downturn of economic activity in those countries during the early 1970s, foreign workers in particular lost their jobs and a large number of them decided to return home when they saw that their chances of profitable employment were shrinking. Furthermore, when Germany, followed by several other receiving countries, abruptly cancelled the recruitment of foreign labour in 1973, the value of remittances according to SOPEMI also receded [OECD (1985a, Table A.8)]. This reveals that the export of labour and with it the resulting flow of remittances are dependent on economic forces outside the sending countries' control. Thus, in ascribing to workers' remittances a central role as a device to bring their balance of payments into equilibrium -- sometimes with the idea in the background of avoiding the use of more incisive instruments of adjustment -- the governments of the sending countries (unwittingly) were enlarging their dependence on the world economy.

b) The instability of the flow of workers' remittances from Europe is linked to a set of factors which are distinct from those determining the remittances by emigrants to overseas countries. The motivation of the latter group is essentially to fulfil the social obligations of a child of the nation who has found better fortune abroad; because of the good economic position of these people, the flow of remittances is not primarily dependent on family situation and changing employment conditions. In marked contrast to this, such factors do determine the remittances of European migrant workers since most of the people involved belong to less advantaged groups of the population (peasants on small-scale agricultural holdings, landless labourers, artisans and industrial workers), who leave their homes to improve their economic conditions and lay a better economic foundation for retirement. Sending home a part of the income earned during their stay in the receiving countries in the form of savings is only one possibility out of a range of others. If migrant workers decide to stay in their host countries longer than originally intended, and if as a consequence of this decision their families emigrate to join them, other necessities gain in importance [Entzinger (1978, pp. 27 ff.)]. Thus it is easy to explain why, with the maturing of the European workers' migration movement during the late 1970s and the beginning of the 1980s (notably in the Turkish case), remittances first stagnated and later diminished even though emigration to the receiving countries had resumed its former momentum. By ignoring this crucial distinction between the factors which determine the remittances of overseas emigrants and those of migrant workers, the governments of the sending countries failed to recognise that the flow of remittances is dependent not only on cyclical economic factors in the receiving countries but also on cyclical development in the workers' migration itself: the more the latter matures, the lower are the chances of profiting from a steady flow of remittances as a means of achieving balance-of-payments equilibrium.

c) While the flow of workers' remittances has undoubtedly had short-term beneficial effects on the balance of payments, there is reason to believe that this flow of income over the long term has increased the import propensity and in some cases also generated additional inflationary pressure. Both are the causes of new persistent balance-of-payments disequilibria, the one in expanding the countries' import bill, the other in harming the price competitiveness of export goods and so depressing foreign trade earnings [Tapinos (1974, pp. 178 ff.); Stahl (1982, pp. 7 ff.)].

In general these tendencies have been underrated in importance because of the erroneous perception of workers' remittances as long-term capital imports. Capital imports evidently serve investment purposes in toto and thus promptly boost the productive resources of the sending country in a very direct manner, so that its import dependency is reduced and/or its export performance increased. Remittances, on the contrary, are transfer payments made to domestic households from abroad for their export of labour services. In most cases they serve consumption purposes because -- as most empirical studies show convincingly [e.g. Stahl (1982, p. 9)] -- the marginal propensity to consume out of remittance income is very high. Under the influence of the "international demonstration effect", reinforced by an increased flow of information about foreign consumption patterns induced by migration, most of the additional income will be spent on the import of consumption goods, especially of consumer durables. Moreover, the balance-of-trade problem may be aggravated when convertible currency from sources other than workers' remittances must be allocated to pay the rising import bill, to the detriment of the import of investment goods which would otherwise be possible.

> When workers' remittances are spent on non-traded goods, it is questionable if the rise in demand for domestic consumer goods can be satisfied by an immediate increase in supply, because of the typical rigidities and immobilities which characterise the markets of the sending countries. The expansion of domestic demand out of remittances may simply cause a rise in prices. The same may be expected in the case of investment outlays out of the saving of remittances not earmarked for consumption purposes: because this investment is mainly in the fields of housing and real estate which cannot expand indefinitely, inflationary pressure is bound to arise [Böhning (1976, pp. 42 ff.)].

In the light of these arguments, the policy of the sending countries, aiming at balance-of-payments equilibrium by actively encouraging (or more passively tolerating) the export of labour, turns out to be self-defeating: the structural conditions of a country in the first stages of industrialisation predetermine its foreign trade gap. Political pressure against disturbing the process of industrial expansion by the adoption of a policy of restricting internal expenditure leads to the search for new methods to restore the balance-of-payments equilibrium. The governments of the sending countries believed that they had found the solution by exporting their abundant labour supply, but in the end it turns out that this deepens their dependence on the economic and labour market policies of the developed countries and at the same time aggravates balance-of-trade problems. Seemingly this policy cannot be successful because, instead of curing the structural causes of the balance-of-payments problem, it deals only with surface phenomena.

Migration, unemployment and human capital shortage

The proposition that one of the most pertinent problems of the Southern European countries is the population and employment problem is not generally disputed. However, if we look at the growth of total population figures, there are marked differences between the countries: according to OECD population statistics during the period 1960 to 1985 some countries (Greece and Portugal) show low, others (Spain and Yugoslavia) moderate, and only one (Turkey) high growth rates [OECD (1979)]. Thus with constant or slightly decreasing labour participation rates, the growth of the civilian labour force would not have created serious employment problems during the years prior to the first oil crisis. But the sometimes impressive achievements in overall economic growth were accompanied by an increase in the productivity of labour in industry. The factors behind this must be located in the field of the industrialisation policies of the sending countries.

During the period from the end of World War II to approximately the middle of the 1960s, all countries sought to industrialise according to an import substitution pattern [Hiemenz and Schatz (1979, pp. 67 ff.)]. The industries created by this policy employed mainly labour-intensive techniques, so that a considerable part of the increasing economically active population leaving the agricultural sector to seek a better livelihood could be absorbed by the expansion of the industrial sector. Because of the lower productivity growth implicit in policies of extensive industrialisation, internal and external economic disequilibria arose which could be cured only by the adoption of a new strategy of intensive industrialisation. Most governments consequently accepted an overt or implicit strategy of export-led growth.

In most cases this policy change proved to be effective in easing the problems of internal growth, but the concomitant rapid growth of productivity caused a marked widening of the gap between production in industry and manpower absorption by this sector. The data collected in Table 3 give an overall impression of this. More detailed information is given on the basis of official data for Greece and Yugoslavia: according to the Greek National Statistical Institute the manpower absorption growth rate of Greek industry was 2.1 per cent on average for the period 1951-61, increased to an average of 3.1 per cent in 1961-71 and declined to only 0.5 per cent in 1971-75 [Le marché de l'emploi (1978, Table 17)]; and from official Yugoslav statistics it has been calculated that the manpower absorption growth rate of the "organisation of associated labour" industries during the period 1947-61 was 7.6 per cent on average and fell to 2.8 per cent in 1961-75 [Künne (1979, p. 33)]. In Turkey the absorption problem seems to have developed in a comparable manner [Paine (1974, pp. 33 ff.)]: the productivity of labour increased by only 12 per cent on average in 1961-65, but by 20 per cent between 1965 and 1969 [Kolan (1975, p. 157)]. With the continuing rural exodus, this led to serious employment problems in the Southern European countries which -- according to the literature [Paine (1974, p. 35); Negreponti-Delivanis (1985, p. 91)] -- are not adequately reflected by the official statistics. The so-called hidden unemployment in the expanding tertiary sectors of the urban agglomerations is a typical example of this.

In this situation of mounting unemployment (documented by Table 4) governments found the opportunity to export their surplus labour force into the labour markets of the receiving countries to be an expedient solution. Thus they were ready to conclude the recruitment agreements referred to above. According to statistics prepared by the members of the Kindleberger group [OECD (1978b)] (cf. Table 5), this policy proved at the time to be effective: in 1973 the calculated (hypothetical) unemployment rates without emigration would have been significantly higher than the actual rates.

With the first oil crisis in 1973/74, and the deterioration of economic activity in the receiving countries, the situation changed dramatically. Unemployment now began to be a common experience in North-western Europe also. The governments of the receiving countries stopped the recruitment of new labour in the sending countries and began to apply their administrative regulations relating to foreigners rigorously, at the same time intensifying policies to encourage the return of the now redundant foreign workers. They were thus in a position to alleviate their own labour market problems.

Hence the conception of workers' migration as a safety valve mitigating the employment difficulties of the sending countries proved to be workable only under favourable economic conditions. As in the case of remittances mentioned above, the economic crisis of the second half of the 1970s and the beginning of the 1980s revealed the dependence of the sending countries, and unemployment in the sending countries increased vigorously (cf. Table 4). One might ask in this respect whether, in the absence of the safety valve of emigration, the governments would not have been under pressure to develop more efficient policies to cope with their labour market problems -- policies which now, in generally bad economic conditions, are dramatically lacking. Again, one is inclined to suppose that the option of short-term solutions has resulted in neglect of the problems arising in the long term.

Table 3

CONTRIBUTIONS OF ECONOMIC SECTORS TO GROSS DOMESTIC PRODUCT AND CIVILIAN EMPLOYMENT: GREECE, PORTUGAL AND SPAIN; 1950, 1960, 1970, 1979

(Percentages)

Sectors		GREECE		PORTUGAL		SPAIN	
		Contrib. to GDP	Contrib. to employment	Contrib. to GDP	Contrib. to employment	Contrib. to GDP	Contrib. to employment
Agriculture	1950	31.0	48.2	33.4	42.2	19.6	48.4
	1960	22.8	56.6	25.3	42.8	23.7	42.3
	1970	18.2	38.7	17.7	31.8	11.8	29.5
	1979	17.2 (a)	27.3 (a)	12.8	31.3 (a)	8.1	20.2 (a)
Industry	1950	21.2	19.4	35.2	29.3	29.8	25.1
	1960	25.7	18.0	37.0	29.5	35.3	32.0
	1970	31.4	23.8	41.8	35.6	39.4	37.3
	1979	31.0 (a)	30.7 (a)	46.7	34.9 (a)	36.6	37.3 (a)
of which manufacturing	1950	15.4	16.2	27.2	21.3	21.3	18.2
	1960	16.3	12.3	29.5	21.4	27.0	22.7
	1970	19.1	15.4	33.4	26.1	27.0	27.2
	1979	18.9 (a)	19.1 (a)	36.9	25.4 (a)	27.5	27.0 (a)
Services	1950	47.8	32.5	31.4	28.6	46.7	26.1
	1960	51.4	25.7	37.6	27.7	41.0	25.7
	1970	50.4	37.5	40.5	32.6	48.8	33.2
	1979	51.9 (a)	42.0 (a)	40.5	33.9 (a)	55.3	42.5 (a)

a) 1975.

Source: J.B. Donges et al. (1982, Tables 10 and 11).

Table 4

LABOUR MARKET SITUATION IN FIVE SOUTHERN EUROPEAN SENDING COUNTRIES 1960, 1975, 1983
(Millions and percentages)

Country	Greece			Portugal			Spain			Turkey			Yugoslavia		
	1960	1975	1983	1960	1975	1983	1960	1975	1983	1960	1975	1983	1960	1975	1983
Population (a)	8327	9046	9848	9007	9448	10099	30455	35219	38173	27509	40063	47750	19065	21352	22855
Civilian labour force (b)	3606	3273	3808	3355	3957	4224	11636	13023	13266	13068	15916	17773	5387 (c)	5927 (d)	..
i) Civilian employment (b)	3386	3198	3508	3190	3734	3892	11353	12442	10805	11833	13796	14912	2903 (c)	4667 (e)	6228 (f)
in agriculture (% of i))	57.1	35.2	30.0	43.9	33.9	24.6	38.7	22.1	18.0	75.9	62.8	58.9	..	47.6	..
ii) Unemployment (a)	87	75	299	..	223	474	58	581	2461	1004	2120	3566	159 (c)	540 (e)	862 (g)
iii) Unemployment rate (%) [ii) divided by iii)]	2.4	2.3	7.9	..	5.6	11.2	0.5	4.5	18.6	7.7	13.3	20.1	5.5	11.6	14.1 (f)

.. Not available.

Notes and Sources:

a) OECD: Demographic Trends 1950-90
b) OECD: Labour Force Statistics 1963-83 (excl. Yugoslavia)
c) 1961, ILO: Yearbook of Labour Statistics 1969
d) 1976, ILO: Yearbook of Labour Statistics 1979
e) ILO: Yearbook of Labour Statistics 1981
f) Stat. Bundesamt: Statistik des Auslandes, Länderbericht Jugoslawien 1985
g) 1982, Stat. Bundesamt: Statistik des Auslandes, Länderbericht Jugoslawien 1985

Table 5

UNEMPLOYMENT WITH AND WITHOUT WORKERS' MIGRATION IN SOME MEDITERRANEAN SENDING COUNTRIES, 1973

	Unemployed (thousands)	Unemployment rate (%)	Emigration as % of unemployment	Unemployment rate without emigration
Greece (a)	35	1.1	31.4	1.4
Portugal (a)	180	5.3	18.9	6.2
Spain	362	2.7	26.5	3.4
Turkey	724	4.5	18.8	5.1
Yugoslavia	382	4.2	26.2	4.8

a) 1974.

Source: OECD (1978b, Table 4, p. 26).

Long-term problems were also generated in qualitative respects. Initially, the governments of the sending countries hoped to export workers of a very low skill level from the underdeveloped, unproductive rural areas. Skilled workers, having found acceptable jobs in the expanding industrial sector, would not migrate and thus would be at the disposal of their own countries. This proved to be a deception; the natural selectivity of the migratory process itself and the recruitment criteria of the receiving countries were working in the other direction [Böhning (1984, pp. 179 ff.)]. During the first phase of intensive emigration in the 1960s especially, it was mainly the skilled, young and enterprising workers who left. Only during the second phase of mass migration did a certain normalisation of the migrants' personal profiles occur, when people with lesser qualifications followed their more enterprising comrades in the hope of improving their fortunes in a foreign country. For instance, according to Yugoslav data, more than 50 per cent of the industrial workers emigrating to the Federal Republic of Germany were skilled [Böhning (1984, Table 7.2); see also Künne (1979, pp. 148 ff.)]. Comparable tendencies have been described for Greece [Geck (1979, pp. 147 ff.)] and Turkey [Krane (1975, pp. 173 ff.)].

This selectivity of migration, intensified by the mode of recruitment of the receiving countries, was soon producing negative results: in the new industries bottlenecks in skilled manpower occurred, sometimes hindering the expansion of production and producing new secondary unemployment. Often the scarce skilled workers could not be replaced easily or, when this could be done, only at high cost because of the necessary professional training. Comparable problems also arose in some agricultural regions, especially where small holdings were the dominant production unit (as in Greece, Northern Portugal and Yugoslavia): here the departure of the more active young people (to emigrate either directly or indirectly via the big cities) caused significant losses in production. To the degree that this "skimming" effect of migration [McLean Petras (1984, p. 256)], which had not been anticipated by the governments, was operative, it proved to be a serious impediment to the expansion of modern economic activities.

Without doubt the selectivity of emigration raised production costs, and thus disturbed the policy of development through export expansion and diversification pursued by the governments of the Mediterranean countries since the mid-1960s [Stahl (1982, pp. 15 ff.); for the case of Turkey cf. Paine (1974, pp. 35, 39 ff., 147 ff.)]:

-- The training of new workers to fill the gaps created by emigration of the existing stock of skilled personnel raised production costs directly;

-- When the skill gaps remained, because the training process proved to be too costly in terms of money and time, the productivity of labour began to stagnate, which again resulted in rising production costs per unit of output;

-- When industries tried to substitute machinery for the missing skilled labour, in many cases this produced over-capitalisation of the production process, which in turn created an unfavourable competitive situation *vis-à-vis* foreign competitors in both internal and external markets.

These effects at the level of the individual enterprise soon created a general cost-push in the modern sectors of the economy, which was reinforced by rising prices of agricultural produce when the stagnant agrarian regions were unable to meet the rising demand. Finally, an inflationary price-wage spiral came into being (cf. Table 6) when the authorities reacted to this situation by increasing minimum wages for the benefit of the urban labour force and, at the same time, by granting financial assistance and market protection to compensate their new industries for high production costs.

It is clear, however, that the endemic inflation, which was a typical feature of most sending countries even before the first oil crisis, is the consequence of factors other than simply the structural disequilibria resulting from the emigration of the skilled work force. Nevertheless, the governments of the sending countries were intensifying structural disequilibria mainly in the labour and capital markets, and so producing cost-push inflation, when they (again unwittingly) neglected the selectivity of migration. Therefore, it may be concluded that the beneficial short-term effects of worker migration as a device to alleviate acute labour market problems during the 1960s, have been paid for in risking long-term structural disequilibria detrimental to stability and development.

Effects on growth and modernisation

In this area of migration-related phenomena some long-term considerations can be detected early in the thinking of the governments and official circles of the sending countries. Underlying these considerations is the proposition that migrant workers would bring back new skills, behaviour and standards to the native country which would stimulate rural modernisation and modern industrial growth. This proposition rests on the hypothesis of a twofold "learning by doing": first, the migrant employed in an industrial occupation and living in the modern social surroundings of the receiving countries is expected to acquire the relevant professional skills and

Table 6

PRICES AND WAGES IN SELECTED SENDING COUNTRIES
(Indices, 1975 = 100)

	GREECE		PORTUGAL		SPAIN		TURKEY		YUGOSLAVIA	
	consumer prices	hourly earnings(a)	consumer prices	daily earnings(a)(b)	consumer prices	hourly earnings(c)	consumer prices	earnings	consumer prices	monthly earnings(d)
1960	45.5	..	28.7	..	31.5	..	23.9	..	13	5
1965	49.4	29	32.7	..	44.2	20	28.7	..	25	17
1970	56	46	49.6	..	56.6	42.3	42.5	..	41	38
1975	100	100	100	..	100	100	100	..	100	100
1980	212.6	295	268.3	100	234.4	305.4	723	..	233	236
1983	385.9	598.8	494.5	173.5	323.2	485	1668	..	519.6	625.4

.. Not available.

a) Manufacturing.
b) 1980 = 100.
c) All employment.
d) Mining and manufacturing.

Source: OECD, Main Economic Indicators.

behaviour patterns. Second, the native economy and society are expected to accept the new skills and social patterns conveyed by the migrants after their return home.

Most governments and the majority of scientific observers thought that the individual "learning-by-doing" of the migrants and the collective learning of the native societies after their return would be an automatic process of modernisation, a natural corollary of workers' migration [Stahl (1982, pp. 26 ff.)]. Only in the case of one sending country, Yugoslavia, did the political authorities in the early 1970s develop instruments for planning and implementing the return of migrants on a legal basis [Baucic (1984)]. Other countries relied mainly on the initiative of individuals or social groups whose activities were more or less intensively supported by official agencies. The establishment of the so-called workers' companies in Turkey with the help of the Turkish and German governments is a typical example of this [Körner (1984a, pp. 181 ff.)].

Already in the early 1970s this policy approach and its underlying reasoning proved to be unsuccessful: most of the projects designed to use the returnees' skills (and their savings) for the creation or expansion of modern activities in the industrial sector had failed. And even successful projects exhibited only modest modernisation effects upon their economic and social surroundings. In the light of this experience some commentators were led to speak of the "myth of the individual's contribution to modernity" [Böhning (1984, p. 176); cf. also Kayser (1972, pp. 42 ff.)].

This sceptical assessment is based upon two observations. First, in most cases the returnees appear to have experienced only negligible occupational upgrading, either because of their inadequate knowledge of the language and other social practices of the industrial country, or because they were not interested in self-investment in human capital by learning: as a rule the migrant does not go abroad to learn but to earn [Papademetriou (1984, p. 265); Entzinger (1978, p. 33)]. Moreover, a large proportion of workers with previous occupational training (craftsmen, for instance) do not practise their trade because in the host countries there are no commensurate occupational possibilities. These workers are often content to get well-paid jobs with low qualification standards, hence in some cases a process of "de-skilling" of migrant workers occurred [Stahl (1982, p. 28); Reyneri and Mughini (1984, pp. 32 ff.)]. In the light of these considerations it is clear that the personal aspirations of returnees are not oriented towards innovation.

Second, return migration again appears to be a selective process. This selectivity has -- compared with the positive selection of emigrants out of the population of the sending country -- more negative features [Tapinos (1974, p. 187)]: experience shows that the majority of the returnees is older, less skilled, in worse health and more affected by personal or family problems than the average of the emigrants. Migrants who have acquired a good occupational qualification and have managed to overcome the many problems of living in the societies of the industrial countries tend not to return [Böhning (1984, p. 185); Reyneri and Mughini (1984, p. 32 ff.); data for Greece are given by Geck (1979, pp. 165 ff.) and for Yugoslavia by Künne (1979, pp. 180 ff.)]. A large part of the return migration therefore must be described as "return because of failure" or as "return for retirement" [Cerase (1974)], and eventually ends up in conservative re-establishment in the traditional surroundings of the native regions.

The remaining, more enterprising returnees in many cases are discouraged by the conditions of economic and social backwardness in the areas to which they return, since it is clearly very difficult to transfer the acquired "socialisation towards industrial occupations" to a situation where industrial enterprise and modern social institutions are not very developed [Reyneri and Mughini (1984, pp. 33 ff.)]. So the success of the innovative returnee depends on some typical features of the social dynamics of return:

-- The success of an individual innovator is dependent on the existence of an open and flexible socio-economic milieu; this precondition is not fulfilled in the backward regions of most sending countries.

-- During the 1960s and early 1970s average emigration was small in relation to the population staying at home, and likewise the number of returnees. Consequently in most cases the individual leverage effect of a returnee trying to transplant modern activities and attitudes into his native milieu is too small and isolated to have lasting results. In other cases, by contrast, massive emigration has depopulated underdeveloped areas of origin, and the returnee is forced to leave the region again because he finds that he cannot make a living.

All this leads to the opinion that it is an illusion to expect the individual returnee to be an innovator in his native region. Indeed it must be noted that the "propensity for innovation" of the returnee in general remains low [Silva (1986, pp. 10 ff.)]. Without official control of migration according to skill profiles and personal qualities -- and no government has been willing and able to do this -- it depends largely on the personal preferences of the returnees whether return migration results in a "modernising" or in a "conservative" re-settlement. It is no wonder that, under the conditions predominating in most of the sending countries, the latter tends to prevail. Often after his return the migrant is confronted with bureaucratic complications mentioned, for instance, as the main cause of difficulties which beset Turkish workers' associations [Papademetriou (1984, pp. 26 ff.); Adler (1981, pp. 62 ff.)]. He also has to open up new market connections on both input and output sides, which can prove to be extremely difficult in the traditional milieu if the returnee cannot rely on paternalist protection that in most cases he has forfeited because of emigration. Often the returnee cannot invest in his project directly because his funds have to be channelled through existing banks and savings institutions. These, in turn, are often not eager to support the creation of new competing activities, because of their own deep involvement in existing activities in the same line of production.

Thus in general the returnee is dependent on the goodwill of the local bureaucracy and banking institutions, which, as a rule, prove to be not very co-operative towards newcomers who tend to disturb social relations and at the same time compete with established economic interests. Moreover, the weakness of general government policies to improve the conditions of return by opening up new development prospects leaves the individual migrant without a clear picture of his future after return [Entzinger (1985)]. He therefore often abandons his aspirations, and ultimately ends his career as one of the many unemployed, burdening the social budget of the country.

With the benefit of hindsight it appears that the governments of the sending countries followed an unrealistic conception of the migratory process in anticipating long-term modernisation effects on their economies and societies as a consequence of their positive attitudes towards workers' migration. As is shown by the body of empirical research and theoretical considerations, the existing traditional structure counteracts the modernisation effects of migration to such an extent that any direct relation between migration and development is questionable [Penninx (1982, p. 784)]. Striking an overall balance of the short-term and the long-term effects of the workers' migration, one comes to the conclusion that the positive short-term effects with respect to remittances and labour market relief are outweighed by the negative long-term effects tending towards the perpetuation of the balance-of-payments disequilibria, inflation and structural imbalances which made the sending countries so vulnerable when the general economic crisis following the first oil crisis occurred. In consequence, the sending countries today are in many respects in a worse position than at the beginning of the 1960s: they are confronted with a rising number of returnees and the additional difficulties connected with their economic and social reintegration [Körner (1984b)].

III. SOME REFLECTIONS ON POLICY CONCLUSIONS

The analysis in Section II suggests that the sending countries miscalculated the benefits of labour migration. Nevertheless the policy stances adopted by the governments of the sending countries have their roots in the general situation of lagging economic development of these countries and are -- if the interpretation is correct -- implicit in general economic policies aiming to close the gap between North-western Europe and the Mediterranean littoral. Looking at the problem from this angle, it should be asked what the role of the receiving countries has been in establishing the preconditions for the respective migration flows through labour market and manpower policies. Finally, the question must be raised whether alternative policy approaches are available to solve the migration problems, and who should accept the responsibility for executing them.

Most of the problems of the sending countries referred to above are a consequence of their status as "semi-industrialised countries" in rapid transition. Like other countries at this stage of development, the European sending countries are experiencing economic and social stress. Typical features of this situation are:

- The persistence of traditional patterns of economic activity and non-diversified market structures, especially in the rural regions, preventing the establishment and successful functioning of a coherent modern system of economic transactions;

- The inflexibility of national and regional markets imposing severe restrictions on the economical use of resources, and resulting in permanent inflationary pressure; and

- The existence of dualistic structures in society working against modernisation, especially in the rural regions, and intensifying the tendency of the larger cities to grow (with consequent high costs of agglomeration).

These structural distortions create severe macro-economic imbalances and a constant pressure on the governments to intervene in the economic process with financial assistance and administrative regulations. As a consequence, the existing structural distortions of goods and factor markets are enhanced, and "structural" cost-push inflation perpetuates itself. This is reflected in mounting balance-of-payments deficits which can be removed only by the import of long-term capital for investment purposes.

To accomplish this, an intensification of foreign trade relations and capital transfers between the sending and receiving countries was proposed which could bring about not only the necessary correction of the balance-of-trade and payments position, but also, it was hoped, an expansion of foreign trade and investment to create sufficient new jobs to absorb a large part of the migrant workers [Hiemenz and Schatz (1979)]. Unfortunately these hopes have proved to be unrealistic: neither foreign trade nor investment has expanded fast enough to produce the necessary balance-of-payments, investment and employment effects. On the surface this can be seen as a consequence of world economic recession during the second half of the 1970s and the first of the 1980s. But causes are rooted much deeper in the economic policies of the North-western European countries.

The industrial countries of North-western Europe, by attracting workers from Southern Europe, avoided the structural change of industry during the period of rapid economic expansion of the 1960s [Völker (1975); Lebon (1977)]. Because traditional production lines and techniques were preserved in the receiving countries, the expansion of competing industries in the Mediterranean countries producing standardized consumer goods (in the sense of the international product cycle) was prevented. Not only did the sending countries realise only a fraction of new investment attributable to an appropriate division of labour in Europe, they were also not in a position to internalise the benefits flowing from that investment expenditure [Stahl (1982, p. 47)]. In this situation they found no other policy reaction than to export labour instead of goods: they insisted on the right of free access to the labour markets of the industrialised countries. In so doing, they were merely confirming the division of labour in Europe, to the detriment of their own interests. The contemporary conflicts between the sending and the receiving countries concerning migration, trade and capital flows are a typical outcome of these conditions [Bhagwati (1983, pp. 51 ff.)].

Looking back at the above argument it may be stated as a central proposition that labour migration in Europe is the consequence of the development problems and resulting weak economic position of the Southern European sending countries. Solving these problems by an adequate policy is the optimal way to cope with the difficulties caused by migration and return: the best migration policy is development policy. Migration policy only operates on the surface and therefore is doomed to failure, whereas development policy can attack the causes.

The needed policy of migration-related development for the sending countries should operate at the (complementary) levels of general economic conditions, labour market policies in special regions, and individual reinsertion programmes [Körner (1981, pp. 149 ff.)]. At the level of general economic conditions, the availability of remunerative jobs (for the migrants) and good economic opportunities (for the migrants and for entrepreneurs from the industrial countries) depends largely on the stability of general economic conditions and the availability of a well-functioning administrative infrastructure. The existence of interdependent markets for goods, production factors, money and information is another crucial precondition.

A policy of migration-related development for the sending countries should therefore embrace the following policy measures in particular:

-- Measures conducive to monetary stability as well as to balance-of-payments equilibrium;

-- Measures to bring into existence the fundamentals of economic and administrative infrastructure throughout the country; and

-- Measures to enhance the administrative system's efficacy and commitment to improving the possibilities of local and regional development.

This last point seems to be of major importance especially in the fields of social and economic statistics: only if reliable data (for instance, on the labour market situation and skill profiles of the active population, and on the personal characteristics of the migrants and returnees) are available, can the success of political activities at the other levels be assured.

At the level of regional labour market policies, essential components are activities such as vocational training according to the needs of the region, the promotion of small-scale industries with a high rate of labour absorption by creating local free-trade areas, and the improvement of agriculture by introducing new products, new market outlets and modes of production. The complementary build-up of a modern social and economic infrastructure conducive to general social and economic mobility is also essential. At the level of individual help programmes for the returnees, the existing initiatives to promote the economic and social reinsertion of the returnees should be extended. A high priority should be given to the creation of institutions for giving advice to the migrants and their families on the social security problems created by emigration and return.

There is no doubt that the institution of policies of this kind aiming to cope successfully with the migration-related problems of the sending countries through regional development will imply higher financial expenditure than the restricted financial efforts made by the receiving countries to promote return migration and the re-establishment of the returned migrants. The institution of comparable aid programmes seems warranted not only as a moral obligation on the part of the receiving countries, which have benefited from the inflow of migrant workers in the past, but also as an expression of enlightened self-interest through promoting the economic and social development of their future companions in an enlarged European community.

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THE EXPERIENCE IN THE MAIN GEOGRAPHICAL OECD AREAS NON-EUROPEAN RECEIVING COUNTRIES

Freda Hawkins

I. INTRODUCTION

The United States, Canada and Australia, comparable in size of territory, but not in population, resources or geographical locations, are known as the traditional OECD countries of immigration. They have grown from small populations of native peoples -- the earliest immigrants -- and very small groups of European settlers, all struggling to survive in an often hostile environment, to the powerful or well-established nations we know today; and this has been achieved largely through an almost continuous inflow of immigrant settlers, refugees and other migrants. Yet, although highly urbanised, they are still uncrowded compared with many other countries and are among the few places on this earth where there is still room for many more human beings. With our tragic inability so far even to begin to correct the vast disparities between rich and poor nations, these three traditional countries of immigration are enormously attractive to the increasing numbers of those who seek a better and more secure existence outside what we call the Third World.

Because of the central role of immigration in the national development of the United States, Canada and Australia and because through most of their history -- though not all of it -- they have appeared to want immigration and to believe in it, rather than having it thrust upon them, their immigration experience is often presumed by other receiving countries to be in a special category -- interesting but largely irrelevant to their own concerns. There is increasing evidence, however, that the experiences of immigrants and refugees and the problems of immigration and refugee management, as well as the difficulties of dealing with illegal or undocumented migration, are very similar wherever they occur. There are great advantages, therefore, in sharing information in this difficult and sensitive area of public policy -- something which governments have been distinctly reluctant to do in the past, particularly in the area of immigration itself. The purpose of this paper, therefore, is to attempt to identify and discuss some of the elements in the policies and management of immigration and refugee movements by the United States, Canada and Australia, which are or should be of ongoing interest to other countries involved in this field. We look first, however, at some of the major similarities and differences between these three traditional countries of immigration.

Population and territory

When the first American census was taken in 1790, the population of the United States was a little over three million and 75 per cent of this number was of British origin. Today the population of the United States stands at 230 million and shows an astonishing diversity in ethnic origins. In Canada, the 1871 census -- the first after Confederation in 1867 -- revealed a population of 3.6 million in which the two largest groups were of French origin (with a total of just over one million) and of British origin (with just over two million). Other national groups were much smaller, the only sizeable one being of German origin with a total of 203 000. In the less favoured half of the North American continent and with the continuous attraction of the United States for immigrants of all nationalities, Canada's population grew more slowly. Today it has passed the 25 million mark. 43.5 per cent of all Canadians are now of British origin, 28.9 per cent of French origin and 27.6 per cent of other origins. Australia's first census in the twentieth century, which followed the Commonwealth of Australia Constitution Act of 1900, showed a population of 3.7 million. Today her population is over 15 million and 77 per cent of this number is believed to be of British origin.

These striking differences in size of population today are due, of course, to the different geographical locations of these three countries, to major differences in resources and their availability, and to the amount of land available for human habitation. In the richly endowed and varied territories of the United States, there have been few areas where determined immigrants could not settle and make a decent living and sometimes -- with luck and very hard work -- a spectacular one. But in Canada and Australia, settlement has been severely restricted by climatic conditions -- the long, cold winter and "frozen north" in Canada and the heat and dryness in Australia. Canadians have tended to live within a two hundred mile wide belt along the 49th parallel and frontier with the United States, sea to sea, and in fairly isolated settlements elsewhere. Australians have lived mainly in the favoured areas around the rim of their continent, avoiding the large regions of desert or near-desert in the centre and west. From a settlement point of view, neither country is as large as it looks. But major climatic changes seem to be occurring now which may alter these patterns.

As a result of the rapid increase of carbon dioxide as well as other elements in the atmosphere -- due to human interference -- scientists are predicting a major warming trend in the earth's climate which they believe has already started. This will involve warmer temperatures at all times of the year right across Canada. Substantially increased rainfall is predicted for Australia, beginning in the fairly near future. If these remarkable climatic changes take place as predicted, it means that both countries could support distinctly larger populations in the future.

Immigration in national mythology

If there have been major differences between the United States, Canada and Australia in their capacity to absorb many millions of newcomers, there have been differences too in their enthusiasm for immigration, and in the degree to which it has been part of their national philosophy and mythology.

In his short book *A Nation of Immigrants*, first published in 1958, President Kennedy wrote in typically euphoric terms about the benefits of immigration for the United States. Of the fifty-six men who signed the Declaration of Independence, Kennedy noted, eighteen were of non-English stock and eight were first-generation immigrants. The continuous immigration of the nineteenth and early twentieth centuries, he wrote, was "central to the whole American faith" and he continued, "The abundant resources of this land provided the foundation for a great nation ... Immigration provided the human reserves. More than that, it infused the nation with a commitment to far horizons and new frontiers, and thereby kept the pioneer spirit of equality and hope, always alive and strong" [Kennedy (1964)]. We should note also President Reagan's often quoted comments made on accepting the Republican nomination for President. "Can we doubt", he said, "that only a Divine Providence places this land -- this island of freedom -- here as a refuge for all those in the world who yearn to be free? Jews and Christians enduring persecution behind the Iron Curtain, the boat people of Southeast Asia, Cuba and of Haiti, the victims of drought and famine in Africa, the Freedom Fighters in Afghanistan and our own countrymen held in savage captivity." Even more than the enthusiasm of Presidents, however, it is the keen interest in and major responsibility for immigration affairs of the Congress, and its key role in the evolution of immigration law in the United States, which clearly indicates the place immigration occupies in national life.

In Canada, immigration is neither a national myth nor has it been widely accepted in recent years as an essential element in national development. Although Canadian politicians frequently refer to Canada as a "nation of immigrants", few common convictions about immigration can be said to exist among Canadians, and keen enthusiasm for it is not often expressed in the political arena. The reason is not hard to find. Although very influential, immigration *per se* is not the central fact of Canadian history. The central fact is the existence in Canada of two founding peoples, the British and the French, and the complex, continuing relationship between them; and this has long pre-empted the place of immigration in national mythology [Hawkins (1972, ch. 2)].

Australia is a different case again, with immigration distinctly higher on the national agenda than it has been in Canada, and with a much stronger sense of national reliance on it until fairly recently, particularly during the period following World War II. The Second World War threatened Australia's security far more directly than it did Canada's. Following the fall of Singapore in 1942 and the subsequent collapse of the British security system in the Pacific, Australia felt increasingly vulnerable and unprotected. The wartime Labor Government responded decisively to this situation as the war in Europe came to an end. On 2nd August 1945, a large-scale immigration programme with the slogan "populate or perish" was introduced. It was designed to strengthen national security and economic development by increased population growth and, as the realities of the post-war scene were appreciated, to diversify Australia's sources of immigration while keeping a British majority. The original target was to increase Australia's population through immigration by one per cent per annum and this remained the official goal until 1972, although enthusiasm for the programme was declining for several years before that.

This post-war national effort produced the greatest sustained immigration movement in Australia's history and a remarkable degree of population growth. Both Canada and Australia doubled their populations in fact in little more than a quarter of a century after 1945, through a combination of immigration and natural increase and, it should be noted, with a minimum degree of stress and strain. During this period -- aided by the introduction by the United States of ceilings on immigration from the Western Hemisphere, which first appeared in the 1965 Kennedy Amendments to the Immigration Act -- Canada has been able to retain immigrants after arrival more effectively than at any time in her history. As in earlier times, these large post-war immigration movements to Canada and Australia had a dramatic effect on their national development, providing them with a wide range of badly needed skills and talents, as well as a strong impetus towards growth and change.

Political systems and immigration

There is one other very important difference between these three countries which should be mentioned, although its influence on immigration is hard to measure. While all three have federal systems of government, Canada and Australia combined this with the British model of parliamentary government when they created their constitutions in 1867 and 1900 respectively. Closely linked to Britain in the nineteenth century and full of admiration for British political institutions and its legal system, the Canadian and Australian politicians of that day tried to stay as close to the British model as they could. Canada also reacted with deep concern and anxiety in the 1860s to the disastrous divisions and carnage of the American Civil War, then being waged so close to her borders, and created a very centralised form of federalism to avoid any possibility of future break-up in her own Confederation.

Parliamentary government obviously means a very different style of government to the Washington version. There is no real equivalent today to the Congressional committee system in Canada and Australia. Their political parties have developed in different ways. Their public services, modelled to a considerable extent on the United Kingdom civil service, have been less open and accessible than the American bureaucracy. The activities of pressure groups, the professionalisation of policy-making and present-day problems of "issue-dominated politics" are far less significant in these two federal states than they are in the United States. In many ways, this has made the management of immigration, including the control of illegal immigration, easier. Decision-making by government in this field has been less subject to pressures of different sorts -- indeed there have been no influential pressure groups in immigration in either country, apart from business and labour whose direct influence on policy-making has often been exaggerated. Ethnic groups have never been powerful enough to exercise any real influence and the same applies to the voluntary sector.

So governments have been relatively free in Canada and Australia to make changes in immigration policy and management as they saw fit, constrained only to some extent by the opposition parties. In recent years, however, Canada has virtually had a "tri-partisan immigration policy" over which the three major political parties have had only minor differences. Australia had a bi-partisan immigration policy up to the early 1970s, but it came to an end with the election of a Labour government under Gough Whitlam in 1972. Today there have been some major differences between the present government and its predecessor on the purposes and uses of immigration for Australia, although both are now agreed on higher levels of immigration.

There is no need to give examples of the difficulties of decision-making in United States immigration today, complicated as it is by powerful pressures from special interest groups. It is enough to draw attention to the United States' present difficulties in controlling her southern border, and to the recent legislation on control measures. It should be mentioned here, also, that the United States has problems relating to the control of illegal immigration on a much larger scale than Canada or Australia, and is the only one of these three countries to have a long land border with a developing country.

If the parliamentary system of government provides for easier decision-making in this area of public policy, we should note that the United States' political system has long provided easier access to politicians and bureaucrats for new immigrants and immigrant groups, as well as the chance -- mainly through Congressional committee and other public hearings -- to have at least a minor input in the ongoing development of immigration policy. For the same reasons, there has been much wider involvement of the concerned and interested public in this field of public policy in the United States, at least until recently. We should note, however, that since the mid-70s, both Canada and Australia have been developing rather similar systems of public consultation -- as we shall see later -- and that Australia has had advisory councils in immigration throughout the post-war period which have had a very significant influence on immigration policy and programmes.

The evolution of immigration policies

Despite these and other major differences in the fundamental character and political systems of these three traditional receiving countries, their immigration policies and ways of managing this area of public policy have evolved in remarkably similar ways, despite the fact that the United States has never had to solicit or encourage immigration as Canada and Australia have often had to do. We can say also that, at the heart of this very similar behaviour, lie the same concerns and anxieties relating to nationality and citizenship, assimilation, public health and safety, to the control of volume as well as to territorial and economic expansion and, much later, to human rights, the management of pluralism and relations with the international community.

Two major concerns developed in the United States, Canada and Australia from the mid-nineteenth century onwards, which were to bring to an end a long era of free migration to these two continents for almost all those who were not slaves bound for the United States, or convicts bound for Australia. These concerns were first, the protection of public health and safety and denial of entry to those who might threaten it; and secondly, the exclusion of the Chinese.

The Chinese unwittingly played a major role in the evolution of the immigration policies of these three countries, as they represented the first significant movement of non-European immigrants to arrive in recent times. The majority of the Chinese were not settlers, however, at least initially. They came for gold. Gold was first discovered in the United States in

California in 1848 (after a minor rush in Georgia in the 1820s); in Australia in New South Wales and in Victoria in 1851; in Canada in British Columbia in 1858; and in New Zealand in 1861. It was alluvial gold and could be extracted easily, requiring no capital or heavy machinery, and, in each case, the discoveries generated waves of excitement across the world. Many nationalities worked the gold fields, moving on as new discoveries were made, but the two principal groups were the English-speaking diggers from Britain, North America and Australia, and the Chinese.

The Chinese, who came mainly from Canton, began to join the gold rushes in small numbers after news of the gold findings in the United States and Australia reached Hong Kong by the beginning of 1852; and in much larger numbers from 1854 onwards. (As many as 45 000 arrived in Australia in the State of Victoria between 1854 and 1858.) The large majority were rural and urban workers, artisans and small traders. All were organised in a very ancient and complex family lineage system which commanded life-long loyalty and profoundly affected their manner of emigrating. Their motive was mainly profit for their families in China and for the firms who had financed these ventures. On the gold fields, they lived, worked, dressed and used what leisure they had much as they did in China. The white diggers, however, as well as a growing section of public opinion in these pioneering communities in North America and Australasia, were not prepared to accept a wholly alien race, as they saw it, with a different language, clothing, customs and way of life, cutting in on their territory, taking a share of their profits (and sending them home) and, in their view, generally depreciating working and living conditions on the gold fields. Soon, many began to see the Chinese, not only as alien, but as evil and dangerous as well -- the possessors of "dark and hideous vices" and the bearers of "loathsome diseases", to use the language of the day. These attitudes became firmly entrenched in all three countries, and were a major factor in the development of discriminatory immigration policies directed against all non-whites in the late nineteenth and twentieth centuries [Price (1974)].

Early United States immigration law was mainly concerned with defining prohibited classes of immigrants. The first general immigration statute was enacted on 3rd August 1882. It provided for a head tax of fifty cents and barred the admission of convicts, mental defectives and persons likely to become a public charge. In the same year, Congress passed the first of the Chinese Exclusion Acts, which were not repealed until 1943. A second general immigration law was passed in March 1891, providing for the medical inspection of all aliens arriving in the United States, the deportation of all those who had entered illegally, and barring the entry of paupers and polygamists -- reflecting the contemporary controversy with the Mormons over the admission of Utah to the Union. In 1903, Congress passed a further immigration law excluding the insane, professional beggars and anarchists, and in 1907 the existing categories of the inadmissible were enlarged still further.

Canadian immigration law also evolved in the same way out of an initial and similar concern for public health and safety. This was caused in the main by the frequent arrival on her shores (as in the United States) of many hundreds of indigent, sick or dying immigrants -- often bringing cholera and typhus with them -- following the Irish potato famine in the forties, or in other desperate circumstances, or simply due to appalling seagoing transportation. The dangers as well as the benefits of immigration were becoming evident to politicians in the mid-nineteenth century. Anxieties were also aroused in Canada, particularly on the west coast, by the arrival of fairly large numbers of Chinese in pursuit of gold, and by the likelihood that many of the Chinese recruited to work on the Canadian trans-continental railway would want to stay. Gradually the power to exclude became more definite and precise. There were four important Canadian immigration acts between Canadian Confederation in 1867 and the Second World War, as well as a number of minor or amending acts, orders-in-council relating to immigration and immigration regulations. The four important immigration acts were those of 1869, 1906, 1910 and 1919 (an amending act). Major laws to discourage the entry of the Chinese or to exclude them altogether were passed by the Canadian Federal Parliament in 1885, 1900, 1903 and 1923.

Australia proceeded with greater speed and more decisively than the United States and Canada to control immigration in order to preserve a homogeneous society, based on the British model, and to exclude any Chinese and non-whites who might care to settle there. The Commonwealth of Australia Constitution Act was passed by the United Kingdom Parliament on 5th July 1900, creating a federation of six states including the northern territory of Australia and such colonies or territories which might be admitted into the Commonwealth. Within a year, the Commonwealth Parliament began to pass a series of acts which enshrined a "White Australia Policy" in the law. The most important of these was the Immigration Restriction Act passed in 1901 in which the "Natal Method" of a dictation test was used to exclude non-white immigrants. The Act was amended on a number of occasions during the next half century to incorporate certain limited concessions and to strengthen its provisions relating to illegal entry. It was eventually replaced by the Migration Act 1958, which left the policy unchanged but substituted ministerial discretion for the dictation test method of exclusion. The White Australia Policy remained in force, with certain modifications introduced after World War II, for seventy-two years. It was abolished by the Labour Government in 1973.

The United States and Canada completed their "white" immigration policies and established them in law towards the end of the First World War and shortly thereafter. Strong restrictionist sentiment had developed in the United States as the flow of immigrants grew even larger before 1914 and the war itself intensified hostility to the foreign born. An Immigration Act was passed in 1917 despite a presidential veto and determined opposition in Congress. It marked the beginning of a long period of discrimination in American immigration based on race and national origins, which only ended with the passing, after his death, of the 1965 Kennedy Amendments to the 1952 Immigration Act on which present immigration policy is now largely based.

The 1917 Immigration Act set up the "Asiatic Barred Zone" which excluded immigrants from most of Asia and the Pacific Islands. It also greatly increased the power of immigration officials to exclude and deport aliens; it required a literacy test on the part of all aliens over sixteen years of age and it doubled the head tax on individual immigrants. After the First World War, however, when immigrant arrivals began to increase again and when it was reported that millions of Europeans were ready to migrate to the United States, the Act began to seem inadequate to the restriction-minded who were now in a majority. After successive bills had been introduced in Congress to suspend or limit immigration, a Quota Act was finally passed in 1921, restricting immigration for a limited period of time by means of a quota system. This led to the Quota Act of 1924 which introduced a more elaborate formula for computing national quotas that became known as the "National Origins Quota System". This Act eventually came into force on 11th July 1929 after several postponements and lengthy calculations by a quota board. Its clear intention was to preserve the existing ethnic composition of the population of the United States by reducing the volume of immigration from Southern and Eastern Europe, severely limiting (in conjunction with the exclusion of the Chinese and the so-called Asiatic Barred Zone set up in 1917) all non-white immigration, and, by means of quotas, establishing a simple automatic system for the selection of immigrants.

After World War II, and following five years of extensive Congressional study during which the entire immigration system was investigated, Congress passed the Immigration and Nationality Act of 1952 (the McCarran-Walter Act), which is still the basic immigration statute of the United States. As striking evidence of the political climate of the day, it was passed by a Democratic Congress over President Truman's veto and by more than the required two-thirds majority. The Act did some liberal as well as illiberal things and made some useful legislative changes. But essentially, it continued the national origins quota system. As a way of extending and supposedly refining this system, the Act established the concept of the "Asia-Pacific Triangle", an area embracing some twenty countries with about half the world's population. These countries were given, for the first time, minimum annual quotas of one hundred each with one hundred eighty-five for Japan and one hundred and five for Chinese persons outside China. The Act provoked continuing opposition within Congress and outside.

It is evident that the national origins quota system, as conceived in the early twenties and developed in the McCarran-Walter Act of 1952, failed in its central purpose which was to preserve the earlier ethnic composition of the American population. It left too many loopholes particularly in the area of non-quota immigration. It attempted to force immigration into an unrealistic pattern by giving large quotas to countries in Northern and Western Europe, whose citizens were now less anxious to emigrate to the United States, while opening the way to pressure on a considerable scale -- much of it successful -- from other national groups and their relatives who had a powerful desire to do so. It was also an unnecessarily elaborate way of selecting immigrants and exercising some control over annual intake. It is ironic that Canada and Australia, who did precisely the same thing in a more straightforward way, were undoubtedly more successful in their overall objectives. Canada did not in fact use quotas or any devices like a dictation test. She simply vested in the Governor-in-Council, i.e. the Cabinet, the power to exclude would-be immigrants in certain categories and of certain origins without saying -- except in the case of special legislation relating to the Chinese -- precisely who they were. This power was established in the Immigration Act of 1910, as amended by the Act of 1919. (More detailed information on precisely which applicants would be excluded was provided in subsequent orders-in-council for those who cared to read them.) The power to exclude was confirmed in much the same terms in Canada's next major immigration act, the post-World War II Immigration Act of 1952.

We should note, however, that Canada with its next Act in 1962 was the first of these three traditional countries of immigration to abandon her white immigration policy -- first by a few years only, since the Kennedy Amendments followed in 1965, becoming effective in 1968; and Prime Minister Whitlam made his famous statement abolishing the White Australia Policy in 1973. This step was taken by Canada, not as a result of public protest -- indeed the public barely knew that a White Canada Policy even existed, since few Canadian politicians ever referred to it. It was not the result of Ministerial leadership or parliamentary intervention or pressure group activity. It was the outcome of a decision by a small group of very senior officials in Ottawa, chiefly concerned with foreign affairs, that Canada could not function effectively in the United Nations, or in the growing multiracial Commonwealth of Nations, with the millstone of a racist immigration policy round her neck; and that she must get rid of it.

If many were excluded or discouraged from coming during the century which followed the gold rushes, vast numbers of immigrants -- mainly from Europe -- settled in the United States, Canada and Australia during this period. For all three countries, there were peak periods of immigration, the most notable being the last years of the nineteenth century and first years of the twentieth, as well as the period immediately after World War II when all three admitted large numbers of displaced persons from Europe.

The modern age in immigration

Liberalisation in immigration policy came slowly in the United States, Canada and Australia after 1945, although legislation excluding the Chinese was repealed in the United States and Canada in the 1940s. In addition, Australia opened her doors after the Second World War to European as well as to British immigrants and began to make some minor modifications in the White Australia Policy; the immigration services of both Canada and Australia began to recruit immigrants in the Middle East in the 1950s; and in the United States, one in four of all the immigrants admitted during this period was a non-quota immigrant, many of them coming from Asia and the Pacific region. It was the decade of the 1960s, however, which ushered in what might be called the modern age in immigration; and when some of the powerful forces which have been reshaping the environment of international migration in the last few years, and bringing new pressures to bear on these traditional countries of immigration, began to emerge.

Very briefly, the world scene was changing dramatically as the Cold War became a fact of life and a number of industrialised countries recovered from war and devastation. The end of nearly all the major colonial empires in the 1950s and 1960s brought into being a proliferation of small, independent states and small nationalisms, with an accompanying emphasis on ethnicity and concern for ethnic origins. The United Nations and other international institutions created after the war emphasized an equality of condition among nations, as well as the universality of human rights, even if they could not implement these principles in more than limited ways. In the United States, the civil rights movement of the 1960s brought major changes in public attitudes towards all ethnic communities, as well as a drive for reform across a wide front, at least for a time.

Within a few years, there were other major developments. In the 1970s, a world-wide explosion took place in the numbers of refugees and in the frequency of refugee movements due to political instability and war. For the United States, this "age of refugees" began earlier with the mass exodus of Cuban refugees (after the overthrow of the Batista government at the end of

1958) which continued through the 1960s. At the same time, a communications and transportation revolution was getting underway which is making most regions of the world visible to each other, steadily lessening distance and isolation, and facilitating, to an increasing degree, the commerce of migration. Remarkable changes have also taken place in the world of work, leading among other things to higher and continuing unemployment, particularly among the young, the unskilled and the semi-skilled, in much of the developed world. Growing disparities between rich and poor nations, which the international community has up to now proved unable to ameliorate, provide a powerful impetus to migrate among many inhabitants of the developing world.

Thus far, this rapidly changing international environment has had the following effects on United States, Canadian and Australian immigration. Together with the policy changes of 1962, 1965 and 1973, it has dramatically altered the national origins of their immigrants, shifting the major emphasis of world migration away from Europe and towards Asia, the whole Pacific region and Latin America. It has greatly increased the demand for family reunion and, without controls, this element threatens to swamp annual immigration movements, restricting the space available for new immigrants. It has produced many more refugees requiring permanent resettlement and has created a clear need for well-defined refugee policies and well-financed refugee programmes -- a need which all three countries have tried to meet in the last few years with considerable success. It has also established refugee status in the minds of many would-be immigrants as a possible way of gaining entry, thus creating the need for complex processes of refugee status determination. A new category of "economic refugees" has come into being and is likely to be an important element in the immigration movements of the future. In addition, this changing environment has made control and enforcement in immigration much more difficult and illegal immigration, which has always accompanied legal immigration to some degree, has greatly increased. The United States felt the impact of some of these changes earlier and more dramatically than Canada and Australia and has had to face the problems thus created on a much larger scale. Because of the nature of United States immigration law and because her law enforcement procedures have been relatively weak, she has also been less well equipped to deal with these problems.

The purpose of this overview of more than a century of immigration policies and programmes in the United States, Canada and Australia has been first, to set contemporary immigration management in its historical context (providing a very necessary perspective on the present) and to emphasize the similarities in policy development; and secondly, to show -- given this background -- how remarkable and how radical the changes introduced in the 1960s and 1970s have been. They have not been confined to major changes in immigration policy, but have also included the improvement and liberalisation of many aspects of immigration law; the introduction of more appropriate and effective immigrant selection systems; the recognition of the need for independent appeals procedures against adverse decisions in immigration; and the acceptance of a commitment to help refugees -- expressed in law in the United States and Canada -- on a larger scale than before, making this a regular part of their immigration programme. In Canada and Australia, governments have attempted from the 1970s onwards to bring this unstable, hard-to-manage area of public policy under a greater degree of control by forward planning, as well as the public announcement of future immigration and refugee programme levels. In an attempt to educate and involve the public in policy development and immigration management, at least to some extent, they have greatly improved their public information in this field, as well as setting up regular procedures for consulting the informed and concerned public on new policies and immigration targets. Both now have advisory councils in immigration, an area in which Australia has a long and very successful record in the post-war period. Canada and Australia have both adopted multiculturalism as a national policy with a moderate degree of success so far, and both have accepted the need for more substantial, regular funding for voluntary agencies providing services for immigrants and refugees. Australia has completely overhauled her post-arrival services and programmes for immigrants, increasing their budgets considerably. Bearing these developments in mind, we turn now to some of the specific lessons of a larger and smaller kind which can be learned from the immigration experience of these three countries in recent times.

II. THE LESSONS

Universality and the rule of law

The United States, Canada and Australia, as we have seen, accepted the need for universality in immigration policy in 1965, 1962 and 1973 respectively and it is plain to see that this should be an established principle in immigration management today. Selection of immigrants on the basis of race or nationality gives serious offence within the international community itself; encourages domestic intolerance and discrimination against immigrants; creates an unending series of group pressures and individual representations in democratic societies; and is very hard to sustain in the almost wholly visible world of international public policy today. Nevertheless, there are still a number of countries who do not -- or probably would not, if they were to become more involved with immigration in the future -- accept this principle in practice, while they may accept it in theory.

Another important lesson is the need to establish the rule of law in immigration, i.e. to base immigration management on clearly established principles and procedures which are spelled out in legislation or regulations and are available for public inspection; and by the same token not to leave the determination of current immigration policy or the selection of immigrants to the discretion or whim of individual ministers or the government of the day. Since, by decision of the United States Supreme Court in 1876, the Congress has plenary jurisdiction in this field, immigration laws of a normally very specific kind passed by Congress are the means by which immigration has long been managed in the United States. Nevertheless, it is also necessary to ask: what kind of law? And there is no doubt that, while many millions of immigrants were admitted, the principal focus of United States immigration law up to the mid-sixties was on exclusion, the exclusion or limited admission of certain races and nationalities, and of elements which were believed to threaten public health or safety. In subsequent United States immigration legislation, racial discrimination has been eliminated, as we have seen.

After 1945, both Canada and Australia produced new immigration laws -- Canada in 1952 and Australia in 1958 -- which were intended to be basic immigration statutes on which future immigration policy and management would be based. Both Acts did the same thing, vesting complete authority in the Minister responsible for immigration and his officials to admit, exclude or deport whomsoever they pleased. The Canadian Immigration Act of 1952 gave the government the all-embracing power to refuse admission on grounds of "nationality, geographical area of origin, peculiar customs, habits and modes of life, unsuitability having regard to the climate, probably inability to become readily assimilated" and so on ... reasons which could apply to anyone, anywhere on this planet. The Australian Act did not specify. Both Acts were gradually modified or bypassed to some degree by subsequent amendments or regulations, and the powers of the Minister were restrained by the introduction of structured selection systems and appeals procedures. Canadian politicans and officials, however, were not satisfied for long with their 1952 Act and ten years later, as we have seen, abandoned racial discrimination in immigration altogether in new Immigration Regulations tabled in 1962. After several attempts by Liberal politicians over the next decade and long delays for various reasons, the Trudeau government produced a completely new Immigration Act in 1976. The Australian Act of 1958 is still on the statute book, although the possibility of replacing it with a new Act has been discussed in Canberra for several years.

The Canadian Immigration Act 1976 was the product of extensive work by a government task force, a parliamentary committee which held public hearings across Canada, and an inter-departmental drafting committee. It is a model of what good immigration law can be: comprehensive, liberal, workable, positive in language and spirit and truly innovative, introducing valuable new concepts and procedures relating to immigration planning, inter-governmental and public consultation, the management of refugee programmes, inadmissibility, deportation and other matters. For the first time in Canadian immigration law, the basic principles and objectives of Canadian immigration policy are clearly defined, including a commitment to universality and to fulfilling Canada's international obligations in relation to refugees. In its ten-year life, the Act has proved to have only minor or rectifiable defects. For reasons of space, we cannot examine its provisions in detail here, but the Act itself is a lesson in immigration law and management.

Selection systems and the control of volume

Another lesson which can be learned from the immigration experience of these three countries relates to the means used to select immigrants and to control the volume of immigration movements. It is self-evident that, in today's very crowded world, selection systems of some kind are essential in immigration, as well as ways of controlling intake. If the experience of these traditional countries of immigration is a guide in the selection of larger or smaller numbers of immigrants, selection systems should be straightforward; easily understood both by immigration or consular officers and applicants; capable of being used in any part of the world; and public. They should not be, in any sense, either in whole or in part, a secret operation by government or subject to secret directives. Since it is essential that the public have confidence in a country's immigration programme, its citizens must know what that programme is and how immigrants are selected. It is equally important that would-be immigrants feel that a selection system is fair and well-managed. Control over volume -- one of the most difficult aspects of immigration management -- is also vital, particularly with the high level of demand today for the opportunity to migrate to developed countries or countries whose economies are prospering or expanding.

The United States, Canada and Australia demonstrate different ways of doing this. The United States manages immigrant selection and volume control through a system of six preferences (first introduced in a limited form in the McCarran-Walter Act in 1952 and enlarged by the 1965 Kennedy Amendments); an overall limit of 270 000 immigrant visas, exclusive of refugees, with an annual per country limitation of 20 000 -- a number attained in recent years by China, Jamaica, Korea, Mexico and the Philippines -- and 600 visas for a colony or possession of an independent country. Since Congress keeps a continuous watch over immigration, these ceilings can and have been adjusted but this process is not easy.

Canada introduced a "Points System" for the selection of immigrants in 1966-67, involving the numerical weighting and assessment of what were regarded as essential immigrant characteristics for successful settlement, now listed as education, employment and training, age, language abilities, personal suitability and relatives in Canada. This system has worked well on the whole and has been widely accepted. It is easy to operate and meets the criteria of clarity and simplicity. Under the 1976 Immigration Act, as already mentioned, a process of inter-governmental and public consultation was introduced, leading to an annual statement in Parliament by the Minister on immigration and refugee programme levels for the following year -- later extended to a three-year planning period.

Australia has adopted a similar system of a somewhat more elaborate kind (particularly concerning the personal characteristics of immigrants) after experimenting with selection systems in the 1970s. Her present points assessment system was introduced in 1982 and modified, to some extent, in 1985. A special system for selecting skilled immigrants known as the Occupational Shares System (OSS) was introduced in July 1984. Levels of intake are determined in much the same way as in Canada in an annual process of state and community consultations, followed by discussions in Cabinet and an annual announcement to Parliament on immigration levels by the Minister. The advantages of the Canadian and Australian ways of determining immigration levels are a) these levels are easy to change and can be adapted to current political and economic circumstances without much difficulty, and b) the provinces or states, together with a large number of national and community organisations plus knowledgeable individuals, are involved in this process annually.

It should be pointed out that all three countries construct their immigration programmes today out of three major components: family reunion; economic immigration, i.e. the recruitment of needed skills and talents as well as entrepreneurs of all kinds; and humanitarian considerations mainly relating to refugees.

Immigration and refugee management: ways of involving the public

Immigration, legal and illegal -- the two always go together to some extent -- is always a sensitive area of public policy, whatever the size of an immigration movement. The voluntary or involuntary absorption of new elements in the population is, of course, of major concern to government, but it can also cause considerable dismay and anxiety among the existing population. Immigration is best managed in a humane and sensible way when it is well under control and is seen to be so by the public, but also when national immigration policy, its laws and regulations are well understood and supported. One of the best ways of ensuring this is to involve the informed public in immigration decision-making as a regular and continuing element in the management of this area of public policy. Today, the United States, Canada and Australia all attempt to do this in somewhat different ways, as follows:

In the United States, as already mentioned, the political system itself facilitates and often encourages a broadly-based public input into the deliberations and decisions of Congress, in this as in other areas of public policy. This not only occurs through the Congressional committee system and through the major national investigations into immigration policy or aspects of it which take place from time to time, but also comes about in a more regular way through the close relationship and interchange between national and professional organisations, interest groups and concerned individuals and members of Congress and the bureaucracy. The fact that Congress is responsible for immigration and is always keenly interested in it ensures that the process of decision-making in immigration, and the evolution of immigration law in the United States, is a public process and one in which comprehensive or relevant information is easily obtained.

Since 1978, when the Canadian Immigration Act 1976 came into effect, consultation with the public in Canada on immigration and refugee policy has increased substantially and now takes place on a regular, annual basis. Immigration and refugee "levels" for the next three years are announced in Parliament by the Minister of Employment and Immigration in November, following consultations, discussions and the submission of briefs, with provincial and territorial governments and with national and professional organisations, ethnic groups, voluntary agencies, the churches, academics, immigration lawyers and other concerned individuals. A major review of immigration and refugee policy in Canada is also underway now, involving further public consultations, as well as a Parliamentary enquiry chaired by the Minister of Health and Welfare and Chairman of the Cabinet Committee on Social Development "to review the social and economic implications of Canada's demographic future" which will, no doubt, involve public hearings also.

Canada had also experimented with advisory councils in the employment and immigration field without a great deal of success so far. A Canada Manpower and Immigration Council and two Advisory Boards, one of them on the settlement and adjustment of immigrants, were in operation from 1969 to 1978; and were then replaced by a Canada Employment and Immigration Advisory Council (part of the new Canada Employment and Immigration Commission created in that year), which is strongly oriented to the employment field. Both Councils have made only limited contributions towards policy-making in immigration for a number of reasons including -- for both Councils -- an inadequate structure and absence of a close working relationship with the Department and, later, the Commission; the failure to use, except in a few cases, a sufficiently high level of talent in appointing members; and an evident unwillingness on the part of governments to accept very much advice from this source. The present system of annual consultations is clearly preferred.

Australia has established a very similar process of inter-governmental and public consultations leading to the annual announcement in Parliament of immigration and refugee levels of admission for the forthcoming three-year period, by the Minister for Immigration. But she has had much greater success with advisory councils, over a longer period of time, and this experience here is an example of how best to manage these councils and derive maximum benefit from them for all concerned.

In Australia's major, post-World War II "populate or perish" effort, which began under the wartime government, there were several important innovations, as well as a drive to recruit more immigrants. They included the creation of an Immigration Advisory Council in 1947 and an Immigration Planning Council in 1949. It was intended that both Councils would advise the government directly on various aspects of immigration policy. The Immigration Planning Council, however, was to have direct access to the Cabinet and its members were to be distinguished and senior representatives of business, labour, the academic community and other walks of life. The Councils were active throughout the post-war period, from the 1970s onwards have had different names, and fairly recently, for reasons of economy, have been amalgamated into one. The present Council is called the National Population Council. But the principles involved in creating these Councils have remained the same. They have direct access to senior levels of government and work in close collaboration with the Department of Immigration and Ethnic Affairs. In recent years, the principal Council has been chaired by the Minister and its members, as in earlier years, represent senior levels of business, labour, the professions, ethnic groups and so forth. On all the Councils, not least today, there has always been a group of distinguished academics who are specialists in immigration or related areas of public policy.

These Advisory Councils have made a major contribution to policy-making and immigration management in Australia and have produced some influential reports. The Councils have also been a means of creating a group of Australians outside Government who are knowledgeable in the immigration field and who, in their turn, have helped a great deal in educating the public in the major changes which have taken place in Australian immigration in recent years (1). It is suggested here, therefore, that Australia's experience with advisory councils, as well as the present Canadian and Australian processes of annual public consultations in immigration are well worth study.

The management of pluralism

Although difficult to document in a satisfactory way, it is probably true that the immigrants who settle in these traditional countries of immigration, and particularly in the United States, demonstrate fairly quickly a relatively high degree of psychological identification with their new country, despite the temporary or longer term disappointments which immigration often involves. Many are eager to take part in community activities within a fairly short period of time, or to participate in some way in the political system, and all wish to share, as soon as possible, in the benefits and opportunities which these societies offer. Non-English speaking (or French-speaking in Canada) ethnic communities or ghettos rarely last intact beyond the first generation, and permanent alienation among individuals and groups is not common.

We have noted that Canada and Australia have doubled their populations since World War II without undue stress and strain. It has been in fact a remarkably peaceable process. None of the phenomena of political discontent or of individual or group political ambitions which might threaten the existing political order have occurred. There have been no riots, no breakaway political parties, no charismatic immigrant leaders, no real militancy in international causes, no political terrorism and only the isolated, individual case of a threat to national security.

The same applies to the United States, where more than double this number of immigrants and refugees have been admitted since 1945. There unity, linked to a very strong sense of national identity, has prevailed as it has in the past, despite a greater degree of ethnic diversity than at any time in American history. And to a surprising extent -- despite continuing anxieties on this score -- a considerable national tolerance for ethnic diversity has been growing since the 1960s. As we know, the United States has always had a powerful appeal for would-be immigrants today and for many who simply wish to join this immensely vigorous, creative and prosperous society. The former United Nations High Commissioner for Refugees, Prince Sadruddin Aga Khan, once remarked to the author that if he could give an American visa to all the refugees under his care, they would bless the ground he walked on and all his problems would be solved.

Lest this analysis appear too optimistic, let us hasten to say that the United States, Canada and Australia obviously have their fair share of problems too. Racism persists. Discrimination against visible minorities persists. Elements hostile to immigrants and refugees can be found in all three countries at all levels of society. Nevertheless, it does seem that they may have something to teach in the management of pluralism and particularly in their capacity to welcome, take in and absorb immigrants and refugees from almost every part of the globe, who arrive today under their universal immigration policies. Not the least part of this effort is their evident capacity to make the majority of these newcomers begin to feel a part of this society within a reasonable period of time, and to identify with it to a considerable extent in due course. How is it done?

To provide some possible answers, we cite the case of the Province of Ontario in Eastern Canada -- the richest and most populous of Canada's ten provinces, which has taken in over half Canada's total immigration movement in the post-war period. Her capital city, Toronto, has a population of more than three million, over 50 per cent of which is foreign-born. Until just recently, when the Liberal Party took over the government, the province had been governed by a series of Conservative administrations. From the 1950s onwards, these governments have managed to create -- while spending relatively little money on it and with a keen eye on the ethnic vote -- a climate in their province which was friendly to newcomers and to ethnic groups. It was largely done through civility -- ethnic group dinners were assiduously attended by Cabinet ministers who made the same standard speech about the rich and varied fabric of Canadian society. Ethnic group leaders were carefully invited to all provincial events of any consequence, and special attention was paid to the national holidays and festivals of the more important groups. Although there were always a few opponents in the Cabinet and more among the party's back-benchers, they were always discouraged from making racist or derogatory remarks about immigrants and no politicians did. In his own speeches, the Premier invariably (and truthfully) referred to the splendid contribution which immigrants were making to Ontario's economic expansion and cultural development and frequently offered an attractive view of a future in which all would share.

But there were some very intelligent initiatives too. In 1959, the province created in its own Citizenship Branch, a small group of officials whose job was to provide some practical services for immigrants, and to do all they could to encourage harmonious community relations in the province. In 1962, the Ontario Human Rights Commission and a provincial Human Rights Code were created to protect Ontario's citizens against discrimination of various kinds. It was the first in Canada -- today the federal government and all the other provinces have similar commissions. Later, citizenship and community development programmes were expanded and a special centre called "Welcome House" for the delivery of services to immigrants and refugees was created in Toronto. In 1977, Ontario adopted her own multicultural policy and programmes and established an Ontario Advisory Council on Multiculturalism; and there have been many other developments in multicultural education, cultural preservation programmes, newcomer language and orientation classes, information centres and the like, all administered now by the Newcomer Services Branch of the province's Ministry of Citizenship and Culture.

Through most of the post-war period, therefore, a real concern was being expressed by the provincial government (and by the major municipal governments in Ontario also) for the newcomers in their midst. It has been this combination of civility and practical concern, firmly and visibly supported by the political leadership in the province, which has produced the good community relations which Ontario enjoys today. Other interesting examples of the same kind of approach could be quoted from the United States and Australia at the state and municipal levels.

The behaviour of governments, national and local politicians, and other prominent individuals in the community towards immigrants and ethnic minorities needs far more study than it has received so far. More important than all the anti-discrimination measures and all the efforts of voluntary agencies, the leadership provided by government and by politicians generally is one of the critical factors in the settlement and adjustment of immigrants and in the effective management of pluralism. It is an area in which there is a great deal to be learned from the United States, Canada and Australia today.

There are other interesting policies and programmes relating to immigration that deserve study today in these three countries, which cannot be described in terms of "lessons", but rather as potential sources of good ideas and which, for reasons of space, we cannot explore here. They include three rather different types of appeals systems in immigration; programmes for community, group and individual sponsorship of refugees; arrangements for the admission of special classes of refugees and particularly victims of political persecution and hostility; the funding of voluntary agencies providing services for immigrants and refugees; the whole field of language training, including the provision of initial language training and orientation classes, as well as classes for special groups of immigrants such as mothers with small children and the elderly; the nature and quality of information about immigration provided for the public, as well as the nature and quality of information provided for immigrants. In the latter area, we would like to draw attention to Australia's very successful, nation-wide Telephone

Interpreter Service for immigrants, as well as to the excellent Annual Report produced by her Department of Immigration and Ethnic Affairs.

In conclusion, we should note that human migration is always moving on and changing with the times. Already there are major demographic, political and economic forces which are likely to have a powerful influence on patterns of world migration, as we approach the turn of the century and move beyond it. Continuing low fertility in the western world leading to ageing populations and potential population decline, combined with a population explosion in many Third World countries, is likely to have a major influence on immigration in the United States, Canada, Australia and elsewhere. Canada and Australia are already beginning to adjust their immigration policies to this phenomenon and are planning to admit much larger numbers of immigrants from now on, a great many of whom are likely to come from Asia and Latin America. The disparities between rich and poor countries, which the international community have been unable to ameliorate thus far, are leading to an increasing out-migration from the Third World, as well as a world-wide increase in "irregular" or undocumented migration. Changing power relationships in the world involving the emergence fairly soon now of China and probably Japan as superpowers, together with the growing economic strength of the Pacific region, are also likely to have a considerable effect on immigration and on race relations in the near future.

NOTE

1. The present Prime Minister of Australia, Bob Hawke, has been a member as a trade union leader of two of these Councils at different times in the 1970s.

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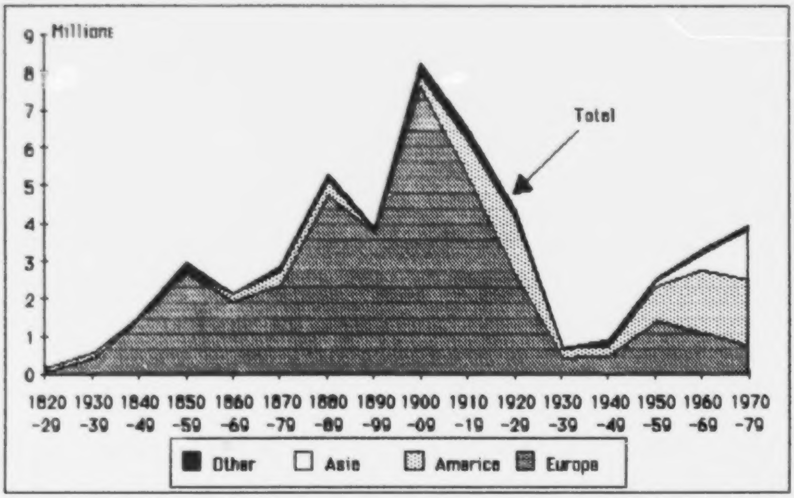
Graph 1

UNITED STATES
IMMIGRATION AND NATURALIZATION BY CONTINENT
(1820-1979)



Source: Statistical Abstract of the United States, 1982-83.

Table 1

UNITED STATES

TOTAL POPULATION, 1790-1980

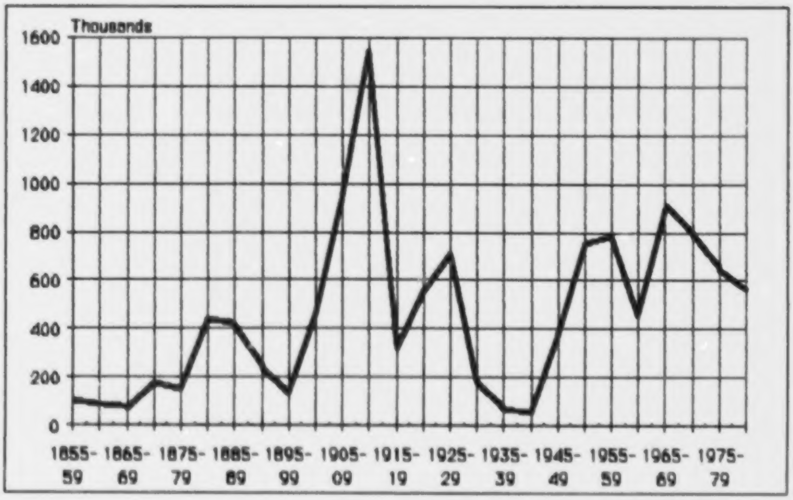
(Census data)

Year	Millions	Per square mile of land area
1790	3.9	4.5
1800	5.3	6.1
1810	7.2	4.3
1820	9.6	5.5
1830	12.8	7.4
1840	17.0	9.8
1850	23.2	7.9
1860	31.4	10.6
1870	40.0	13.4
1880	50.1	16.9
1890	62.9	21.2
1900	76.0	25.6
1910	92.0	31.0
1920	105.7	35.6
1930	122.7	41.2
1940	131.7	44.2
1950	150.7	50.7
1960	179.3	50.6
1970	203.2	57.5
1980	227.0	

Source: Statistical Abstract of the United States 1982-1983
United States Department of Commerce
Bureau of the Census.

Graph 2

CANADA
TOTAL IMMIGRATION BY 5 YEARS INTERVALS
(1855-1859 TO 1980-1984)



Source: Canada Employment and Immigration Commission.

Table 2

CANADA

SUMMARY OF PRINCIPAL COMPONENTS OF CANADA'S POPULATION, 1861-1981

(In thousands)

Period	Intercensal Years Data			Population at End of Decade		
	Births	Deaths	Immigration	Total	Canadian Born	Foreign Born
1861-1871	1 369	718	183	3 689	3 064	625
1871-1881	1 477	754	353	4 325	3 722	603
1881-1891	1 538	824	903	4 833	4 189	644
1891-1901	1 546	828	326	5 371	4 672	699
1901-1911	1 931	811	1 759	7 207	5 620	1 587
1911-1921	2 338	988 (1)	1 612	8 788	6 832	1 956
1921-1931	2 415	1 055	1 203	10 377	8 069	2 308
1931-1941	2 294	1 072	150	11 507	9 488	2 019
1941-1951	3 186	1 214	548	14 009 (2)	11 949	2 060
1951-1961	4 468	1 320	1 543	18 238	15 394	2 844
1961-1971	4 063	1 360	1 429	21 568	18 273	3 295
1971-1981	3 589	1 647	1 447	24 083	20 216	3 867

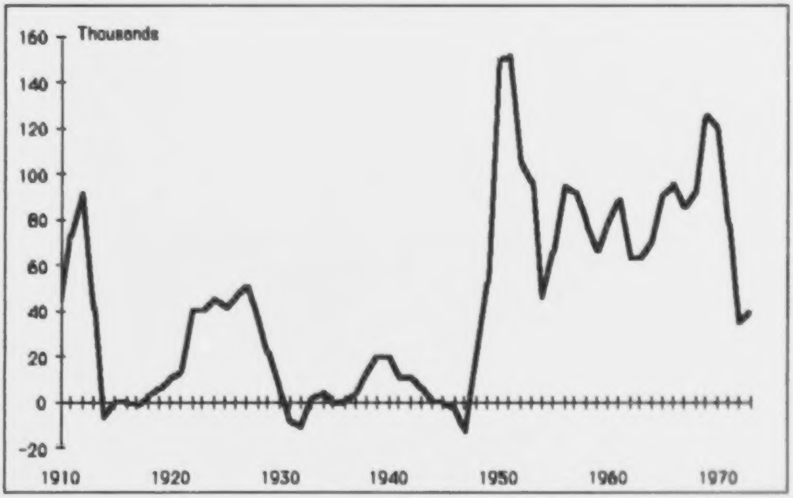
1. Excludes extra mortality associated with World War I, estimated at 120 000.

2. Includes Newfoundland which had a population of 361 416 in 1951.

Source: Canada Employment and Immigration Commission.

Graph 3

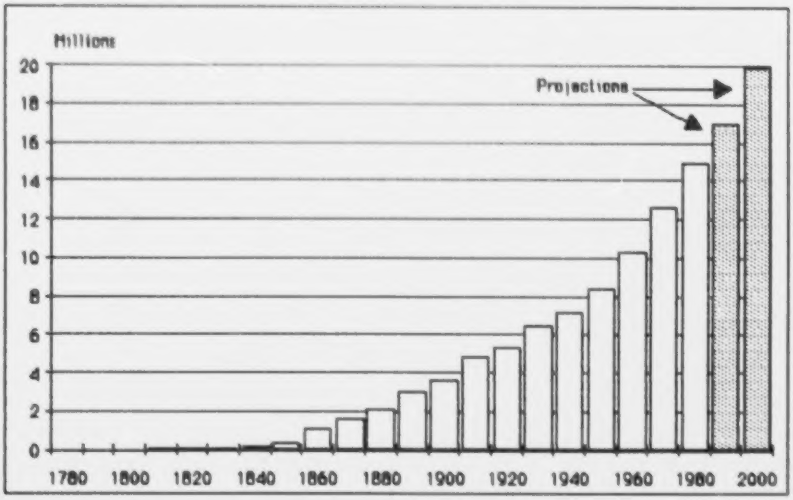
AUSTRALIA
TOTAL NET IMMIGRATION
(1910-1973)



Source: National Population Inquiry, Vol. 1.

Graph 4

AUSTRALIA
TOTAL POPULATION
(1788-2000)



Source: Department of Immigration and Ethnic Affairs, Review '82

DEMOGRAPHIC TRENDS AND INTERNATIONAL MIGRATION (1)

Antonio Golini and Corrado Bonifazi

INTRODUCTION

In recent years the world demographic scene has been thoroughly studied, leaving few areas unclear. Statistics are increasingly accurate and reliably organised; censuses have been carried out even in countries which had not previously considered them seriously; national bodies and international organisations, especially the Population Division of the United Nations, have conducted innumerable studies; and large-scale surveys have been made in the field, particularly the World Fertility Survey (WFS) and those on infant mortality. Population growth has not only been studied thoroughly and its various components analysed in considerable detail but -- and this is equally important -- great attention has been paid to the underlying causes and the wide-ranging effects of demographic developments, be they biological, physical-environmental, socio-psychological and cultural or economic and political. Prima facie there would not appear to be much point, therefore, in going over the same ground again were it not for two reasons: Firstly, demographic changes are slow and produce effects -- often intangible -- only in the long and very long term. This calls for a permanent monitoring of the current situation and the future outlook. Secondly, there is one relatively uncharted terrain, i.e. the interaction between demographic changes, trends in labour supply and demand, migration.

In this study, therefore, we want to shed light on the relationship between demographic trends and international migration. We have concentrated on those people who migrate for work purposes and their relatives who will ultimately follow them. We shall therefore not discuss international migration undertaken for purposes for other than work -- although political movements, especially, are significant. After a descriptive discussion of past and future trends in population growth in Section I, we shall briefly review the dramatically changed employment situation in the OECD area since the onset of the first oil price shock and the ensuing shifts in migration patterns, especially in Europe (Section II). Against this background, Section III then provides a comparative evaluation of future migration growth by world migration areas. In the last section, the likely migration pressures resulting from demographic developments are then put into perspective by a brief reference to factors operating in the receiving countries on the future demand for migrant workers.

I. PAST AND FUTURE TRENDS IN POPULATION GROWTH

Trends and forecasts for total population

About 17 per cent of the world population live in OECD countries, and 8 per cent (one person in twelve) live in the centrally planned economies (2). Thus, about 25 per cent belong to the group of the more developed countries (MDCs), according to the United Nations classifications. The remaining three-quarters of humanity live in less developed countries (LDCs), which have grown at an average rate of 2.3 per cent per year in the last 25 years, compared with the more advanced countries, which have had a growth rate of 0.9 per cent (Table 1).

Demographic growth, already extremely disparate, will diverge even more markedly by the end of the century. The more mature countries, demographically speaking (mainly Europe and Japan, but also the countries of North America), will increasingly show the results of their policies and behaviour favouring low natality: a significant increase in the proportion aged over 65; a fall in the overall population growth rate to zero or to negative figures; a further reduction in the rates of variation of the population of working age and of the infant population (Table 2).

The population in the LDCs is likely to increase over the 1985-2000 period at an annual average rate of 1.88 per cent as against the 2.32 per cent in the period 1960-85, but despite this lower rate the annual average increase in population will be approximately 78 million, as against the 63 million of the preceding period. Essentially, the LDCs with 76 per cent of the world population will account for 91 per cent of the increase, while the OECD countries (with approximately 17 per cent of the total) will account for only 6 per cent of the increase. The differences in growth of the total population in the various regions of the world are becoming even more pronounced and are increasing with time: the speed of increase in Latin America in the period 1985-2000 will be 2.5 times that of North America (2.2 times in 1960-85); the rate of growth in China will be 2.7 times that of Japan (1.9 times in 1960-85); the speed of growth in Africa will be 13.6 times that of OECD Europe (4.8 times in 1960-85).

All these population growth rate differentials must be stressed not only because in the past they have determined different population patterns, but also because they affect the different future long-term growth potentials. Even if the individual demographic tendencies (such as total fertility rate and expectation of life) in the different parts of the world could miraculously suddenly become similar, population growth rates would still differ for several decades.

Trends and forecasts for the working-age population

The population of working age (15 to 64 years) grew faster than total population in the period 1960 to 1985 (Tables 3 and 4). The overall increase has been very great -- on average in each year of the 25 years taken into consideration, the total working-age population increased by 48 million people, i.e. at a rate of 2.1 per cent. For this segment of the population,

Table 1

TOTAL POPULATION: NUMBERS, PERCENTAGE DISTRIBUTION, AVERAGE ANNUAL INCREASE AND GROWTH RATE, 1960-2000

Region	Numbers (millions)			Percentage			Average annual increase (millions)		Average annual growth rate %	
	1960	1985	2000	1960	1985	2000	1960-85	1985-2000	1960-85	1985-2000
WORLD	3 014	4 842	6 127	100.0	100.0	100.0	73.1	85.6	1.91	1.58
LDCs (a)	2 041	3 619	4 782	67.7	74.7	78.0	63.1	77.5	2.32	1.88
MDCs (b)	973	1 223	1 345	32.3	25.3	22.0	10.0	8.1	0.92	0.64
OECD countries (c)	662	832	909	22.0	17.2	14.9	6.8	5.1	0.92	0.59
USSR + Eastern Europe	311	391	436	10.3	8.1	7.1	3.2	3.0	0.92	0.73

a) Excluding Turkey.
b) Including Turkey.
c) Including Yugoslavia. Including also countries belonging to Northern, Southern and Western Europe (according to UN subdivision in macro regions and component regions), but not acceding to the OECD Convention; the size of these countries is very small.

Source: Computed from data in United Nations (1985a).

Table 2

CHANGES IN POPULATION STRUCTURE IN SELECTED GEOGRAPHICAL AREAS, 1985-2000

Region	Change from 1985 to 2000							
	absolute (millions)				as percentage			
	0-14	15-64	65+	TOTAL	0-14	15-64	65+	TOTAL
OECD regions								
Europe (a)	-2.6	6.0	9.6	13.0	-3.4	2.4	19.6	3.4
Turkey	4.5	12.4	1.6	18.5	24.2	42.3	74.4	37.0
North America	6.5	22.6	5.1	34.3	11.3	12.8	17.1	13.0
Japan	-3.5	3.9	7.1	7.6	-13.5	4.7	59.7	6.3
Australia-New Zealand	0.3	2.5	0.6	3.4	6.7	20.0	31.9	17.9
Total OECD	5.2	47.4	24.0	76.8	2.8	8.6	25.4	9.2
USSR + Eastern Europe	4.3	25.1	15.1	44.5	4.5	9.7	39.5	11.4
LDCs (b)	220.9	854.6	88.3	1163.8	16.3	40.3	61.0	32.2

a) See note c) of Table 1.
b) Excluding Turkey.

Source: See Table 1.

too, there are great differences between areas. In the LDCs, the speed with which it has grown is 2.2 times the speed of growth in the MDCs; in absolute terms, it is five times as great (40 million as against 8 million).

The growth of this group from now until the end of the century is virtually certain -- barring any large-scale natural catastrophes, disastrous epidemics or terrible nuclear wars -- since the persons who will comprise it in the year 2000 had all been born and were alive in 1985, hence it is enough to "age" through the 1985 population to arrive at a fairly accurate forecast (Tables 4 and 6).

The early and rapid fall in the number of births in the MDCs, particularly in Europe and Japan, with respect to that of the LDCs, means that the geographical differences in the pace of growth of the population of working age are even greater than those that have been observed for the total population. The annual rates of increase shown in Tables 1 and 4 allow us to establish directly the most important relationships over time and between areas, and therefore to show clearly the lagged effect of the fall in births. Of course, when we compare the population of working age in areas that are very different in terms of development and economic structure, and when we draw conclusions about the resultant consequences for employment, we are well aware that the economic impact -- as opposed to the demographic effect -- may be quite ambiguous.

Table 3

ANNUAL GROWTH RATE (%) OF TOTAL POPULATION, 1960-2000

OECD regions	1960-85	1985-2000
Europe (a)	0.58	0.23
Turkey	2.42	2.12
North America	1.13	0.83
Japan	0.98	0.41
Australia and New Zealand	1.62	1.10
North American-Europe ratio	1.95	3.57
Turkey-Europe ratio	4.17	9.22
Non-OECD regions		
Africa	2.80	3.12
Latin America	2.54	2.04
China	1.88	1.12
South Asia	2.42	1.86
Africa-China ratio	1.45	1.68

a) See note c) of Table 1.

Source: See Table 1.

There is some consolation, as far as the employment situation in the OECD countries is concerned, if we look at the overall figures and at past experience. Between 1960-85 and 1985-2000, not only do the rates of growth of the population of working age fall sharply from 1.16 to 0.56 per cent, but the absolute increases also fall -- from 5.5 million per year to 3.2 million per year. With an activity rate of 60-65 per cent (employed/population of working age), this increase implies the need to create in future about 2 million new jobs per year in the whole OECD area in order to leave unemployment unchanged. In the light of past experience, this would seem to be possible given that, despite the two serious economic crises, employment in this area grew by 2.8 million per year between 1971 and 1983, i.e. at a rate of 0.88 per cent. There is, however, some cause for alarm regarding the ability of the LDCs to create a sufficient number of jobs to absorb the expected increase in their population of working age. Even though the rate of increase is falling between the two periods (from 2.58 to 2.28 per cent), it is also the case that the absolute increase is rising sharply, from an annual average increase of 40 million in 1960-85 to 57 million in 1985-2000. With an activity rate of

Table 4

WORKING-AGE POPULATION (AGED 15-64), PERCENTAGE DISTRIBUTION, AVERAGE ANNUAL INCREASE AND GROWTH RATE, 1960-2000

Region	Numbers (millions)			Percentage			Average annual increase (millions)		Average annual growth rate %	
	1960	1985	2000	1960	1985	2000	1960-85	1985-2000	1960-85	1985-2000
WORLD	1 732	2 933	3 860	100.0	100.0	100.0	48.0	61.8	2.13	1.85
LDCs (a)	1 222	2 122	2 976	64.8	72.3	77.1	40.0	56.9	2.58	2.28
MDCs (b)	610	811	884	35.2	27.7	22.9	8.0	4.9	1.15	0.58
OECD countries (c)	414	553	601	23.9	18.9	15.6	5.5	3.2	1.16	0.56
USSR + Eastern Europe	196	258	283	11.3	8.8	7.3	2.5	1.7	1.11	0.62

a), b), and c) see Table 1.

Source: See Table 1.

55 per cent, this means that more than 31 million jobs must be created each year in the period 1985-2000.

If we look in more detail at the geographic/economic areas and at the rate of growth of the population of working age, we see more clearly -- both within the OECD area and within the LDCs -- the extent of the regional contrast and the degree of complexity of the employment problem that will exist in the near future at least as regards the demographic component (Table 5):

i) The forecast growth of the population of working age, over the whole period, is most modest in the European countries (0.16 per cent). The growth in North America, for example, though still fairly low (0.81 per cent), is five times greater. Europe is only just emerging from the period (1980-85) of the greatest growth of this population (2.3 m. and 0.92 per cent per year) caused by the entry of the baby-boom children of the 1960s, and from the departure of the cohorts born during the First World War. In the next five-year period (1985-90), there will be a much smaller increase (0.7m. and 0.29 per cent), after which there will be zero growth. In particular, three of the four major countries (U.K., Germany and Italy), and also some of the smaller ones, will have a decrease of the population of working age as a result of the sharp fall in births in the 1970s. The kind of repercussions resulting from these trends on the labour market and on international migration is a question of great importance.

ii) Japan shows similar overall figures and the same trend, but a little more out of phase. Between 1970 and 1990 the increase in population of working age will remain between 650 000 and 750 000 per year (0.90 per cent), falling to 230 000 in the period 1990 to 1995 and going into negative figures in the following period. Will Japan's economic system be able to cope with this? Could it provoke a change in the political attitude towards immigration in the country?

iii) In North America the long-term trend is quite different as a result of the different pattern of births in recent decades. The annual increase in the seventies was very rapid (2.7m., 1.8 per cent), accompanied by an equally rapid growth of employment and immigration. The five-year period just beginning (1985-90) is a period of minimum growth for the population of working age (1.3m., 0.7 per cent), and the increase to be expected at the turn of the century is a little larger. The impact of these trends on employment and migration should soon be apparent.

iv) In the OECD area, by far the highest growth rate is in Turkey, where overall it is 15 times that of Europe, varying only slightly from one five-year period to the next. It is estimated that between 1985 and 2000 Turkey will have an average annual increase of 824 000 people of working age. With an activity rate of about 55-60 per cent, this means that every year for the next 15 years, 475 000 jobs will have to be created.

Table 5

ANNUAL GROWTH RATE AND AVERAGE ANNUAL INCREASE OF WORKING-AGE POPULATION, 1985-2000

Region	Annual rate of growth (%)					Average annual increase (000)		
	1960-85	1985-2000	1985-90	1990-95	1995-2000	1985-90	1990-95	1995-2000
OECD regions								
Europe (a)	0.70	0.16	0.29	0.05	0.07	739	125	186
Turkey	2.66	2.38	2.71	2.07	2.34	838	722	910
North America	1.59	0.81	0.71	0.73	0.99	1 257	1 345	1 916
Japan	1.26	0.31	0.90	0.27	-0.23	750	231	-197
Australia - New Zealand	1.96	1.22	1.35	1.11	1.14	174	151	165
Non-OECD regions								
Africa	2.65	3.15	3.02	3.18	3.27	9 130	11 204	13 501
Latin America	2.81	2.48	2.61	2.47	2.38	6 426	6 901	7 493
China	2.39	1.63	2.61	1.34	0.95	18 710	10 687	8 020
South Asia	2.64	2.43	2.62	2.42	2.25	24 914	26 053	27 314

a) Including Yugoslavia.

Source: See Table 1.

v) In the LDCs growth rate trends are divergent -- increasing in Africa and decreasing in Latin America and Southern Asia. For these last two continental regions, however, even in the presence of decreasing rates of change, the change of the population of working age is in fact growing in absolute terms. In Africa the growth rate of this group is exceptionally high: for the whole period it will be 3.15 per cent (which means a doubling of the total in only 22 years), i.e. twice that of China, and 20 times that of OECD Europe. The population in Africa aged 15-64 years was growing in the period 1960-70 by only 3.8m. per year, compared with 13.5m. per year from 1995-2000. The growth differential (3 times) between Latin America and North America is much less marked, although it is still noteworthy and is higher than any recorded in the past.

vi) China is unique. In only ten years (between 1985-90 and 1995-2000) the average annual increase in the population of working age should fall from 18.7m. to 8.0m. This reduction is the result of a widespread and strict birth control policy, but it is enough to cause grave repercussions for production and, in the longer term, for the social security system.

The entire demographic structure of the LDCs is much younger and so the structure of the working-age population is younger too: in the OECD countries only 25 per cent are aged 15-24, whereas in the LDCs this proportion is 35 per cent (37 per cent in Africa). Such a high concentration of younger people in the LDCs is a further cause for concern -- above all as regards the population living in urban areas -- in view of the rather low level of school attendance of young people (compared to the situation in the MDCs), and the difficulty of creating enough jobs to employ all of them. This situation also leads to an increase in the migratory potential in these countries since, *ceteris paribus*, the likelihood of a young person emigrating abroad, if he is living in an urban context and is unemployed, is much higher than that for other people of working age.

The past history of fertility and mortality and the age structure also determine the speed of replacement of the working-age population.

i) In the LDCs, the population aged 15-19 years is growing at a faster rate than that in the 60-64 age group. The population remains young and so has a high potential for further growth. The large increase in the population aged 15-19 years is the result of the conjunction of two factors: an increase in the number of births between 1960 and 1985, and the steady reduction in infant mortality. These factors are likely to continue to operate in the future. It should, however, be stressed that although the proportion of old people in the population is fairly static, their *numbers* are growing at a fairly steady rate even in the LDCs. The problem of ageing will be apparent as soon as the number of births can be substantially reduced.

ii) In the MDCs, and more particularly in the OECD countries, the situation is precisely the opposite: the population aged 15-19 years is growing at a slower rate than that aged 60-64 years. If this differential is positive from the employment point of view, it is not as far as coping with an increasingly elderly population is concerned. The demographic trends may thus be an advantage in some ways, but a disadvantage in others. In many OECD countries, fertility has reached such low levels, and ageing such high levels, that it is necessary to seriously re-evaluate the consequences of the current demographic trends and to look for possible corrective policies that will be more effective than the current ones.

II. EMPLOYMENT AND MIGRATION

Employment in OECD countries since 1970

Over the last fifteen years the economic situation has been profoundly marked by the oil crises of 1973 and 1979, probably the most significant events in a period of inflation usually accompanied by stagnation, if not of actual recession. The first oil crisis in particular had considerable effects; in fact, the only economic indicator to rise between 1973 and 1975 was the consumer price index (by 12.2 per cent), whereas employment, productivity and real GDP remained more or less stationary. The effects of the second oil crisis were less painful -- even so, the overall rise in employment from 1979 to 1983 was only in the order of 0.2 per cent per year. From 1971 to 1983 employment in the OECD area increased by 33 million jobs; the periods of greatest growth were those that preceded the two oil crises, whereas the increases recorded in the two periods immediately afterwards were decidedly modest. Almost all OECD regions shared this pattern although the rates (and sometimes the signs) differed considerably (Table 6). In North America, during each of the periods considered, employment actually increased at a rate more than twice that of the whole OECD area, while in Europe below-average figures were recorded and in recent years there has even been a decrease in employment. In Japan the growth rate of total employment between 1975 and 1983 remained more or less the same, and at a level that is currently the highest within the OECD, which shows that the Japanese economy seems to be the best equipped to face the present economic situation.

One of the main consequences of these trends is the large increase in unemployment, an increase found in all countries -- both those where high unemployment was a so-called "structural" phenomenon, and those that had almost achieved full employment. In many cases the growth of unemployment rates is startling, as are the social and human problems which lie behind the statistics. Female unemployment has grown since the second oil crisis, but less rapidly than male unemployment, owing in part to the greater virulence of the crisis in sectors which employ more men (mining, manufacturing and construction), and in part to the fall in the growth rate of the female labour force since 1979 [OECD (1983, p. 24)].

In absolute terms, however, female employment has increased, whilst male employment has fallen sharply in Europe, and in other regions the increase has not been very great. Moreover, employment rates (employed/working-age population) for males have clearly declined, while the rates for females increased almost everywhere (Table 7). Thus for women there has been an increase in both unemployment and in employment rates.

Table 6

PERCENTAGE ANNUAL GROWTH RATE OF EMPLOYMENT IN OECD MAJOR REGIONS, 1971-83

	1971-73	1973-75	1975-79	1979-83
Total	1.6	0.2	1.5	0.2
North America	3.4	0.6	3.4	0.5
Japan	1.3	-0.3	1.2	1.1
Australia - New Zealand	2.1	1.2	0.9	0.8
Europe	0.7	0.0	0.4	-0.4
of which:				
EEC	0.5	-0.3	0.5	-0.5
Southern Europe (a)	0.2	0.9	0.1	-0.3
Turkey	1.9	1.6	1.3	0.6

a) Greece, Italy, Portugal and Spain.

Source: OECD (1985).

Table 7

EMPLOYMENT RATES BY SEX IN MAJOR OECD REGIONS: 1971-83 (a)
(Percentages)

Region	Male			Female		
	1971	1975	1983	1971	1975	1983
North America	77.8	76.3	73.9	45.2	48.0	55.7
Japan	88.6	88.0	86.7	53.8	50.8	55.7
Australia and New Zealand	89.3	85.9	76.8	44.0	45.8	46.2
Europe (b)	85.3	81.7	71.8	43.2	44.5	44.1
of which:						
EEC (c)	84.5	80.9	72.0	43.9	45.2	45.1
Southern Europe (d)	83.3	80.4	68.4	30.0	31.0	31.0
Total	83.4	81.0	75.2	45.8	46.9	50.4

a) (Civilian employment/population aged 15-64) x 100.
b) EEC countries (see note c) plus Austria, Finland, Spain, Sweden and Switzerland.
c) Belgium, Denmark, France, Germany, Italy and United Kingdom.
d) Italy and Spain.

Source: OECD (1985).

Looking at employment rates in some OECD countries in 1975 and 1984 by sex and broad age groups (Table 8), we see that for males the rates decrease over all age groups and in all countries (the only exception being the 16-24 age group in the United States). For females, there was an increase in the central age group (25-54), but in the other age groups activity rates fell (the two notable exceptions being Japan and the United States). We should, moreover, draw attention to the increase in part-time jobs. From 1973 to 1981, for example, in this kind of employment (which in some countries is almost exclusively the preserve of women and young people, and which has played an important role in the recent growth recorded in female employment) there was only a small percentage increase in North America, where only one in every five new jobs created was a part-time job. There was, however, a considerable increase in Europe, where one in every two new jobs was part-time. The situation in Japan was somewhere between the two [OECD (1983, pp. 44-45)]. The characteristics of greater flexibility and adaptability in the female work force are not unrelated to these trends, and in the present economic situation these characteristics seem well adapted to the demands of the economies of the OECD countries.

Analysis of employment trends for the OECD countries reveals some aspects that seem to contradict each other, but they are explained by the specific features of the labour markets and social security systems in the different countries. Some common elements emerge from the figures. For one thing, there has been a notable overall growth though less than the growth in the population of working age, which has meant a large increase in unemployment (from 3.8 per cent in 1971 to 8.9 per cent in 1983).

Taking the OECD countries as a group, certain factors -- whether explicit or implicit, national or supranational (for example, the EEC in Europe) -- have had a balancing effect in both the economic and social spheres. This has led to an increase in GDP in real terms despite the economic crises, and also to the containment of social tensions despite a steady and serious increase in unemployment. In a fundamentally unbalanced system this means that:

- The various social security systems in the individual countries have been effective to a greater or lesser extent;
- There have been compensations at family level which mean that the family sub-system has absorbed tensions which could otherwise have exploded (for example, growing female employment has meant that the burden of unemployment among young people has been easier to bear);
- There must be a hidden economy and a black market for labour, even if the scope and extent varies enormously from country to country. This has led to a quite large group of indigenous workers who do not appear in the official statistics, and to a fairly widespread use of clandestine immigrant workers;
- There must have been fairly strong competition in the labour market between the weaker groups: young people, old people, women and immigrants. Of these four groups, women seem to have done best. The breakdown by sex shows that 6.1 million men and 23.4 million women accounted for the increase in employment

Table 8

EMPLOYMENT RATES BY SEX AND AGE GROUP IN SELECTED OECD COUNTRIES, 1975-84

Country	16-24 (a)		25-54		55-64		65 and over	
	1975	1984	1975	1984	1975	1984	1975	1984
	MALE							
France	52.2	34.0	94.5	90.6	67.1	47.2	13.6	5.5
Germany	63.1	54.3	92.3	84.7	65.4	53.1	10.8	6.3
Italy (b)	38.8	36.4	92.7	90.1	40.6	36.1	13.3	9.3
Japan	48.4	41.2	95.8	95.2	83.2	79.6	43.6	36.8
United Kingdom	61.0	54.7	92.6	84.2	82.3	60.0	15.7	7.8
United States	62.1	63.3	88.6	87.7	71.4	64.5	19.6	15.2
	FEMALE							
France	41.0	28.7	54.8	62.3	34.7	28.6	5.7	2.4
Germany	55.3	44.9	49.4	50.1	23.7	22.8	4.5	3.0
Italy (b)	28.9	25.6	35.1	38.9	10.7	9.9	3.3	2.0
Japan	44.4	42.1	51.4	58.4	43.1	44.1	15.3	15.8
United Kingdom	52.7	51.6	60.7	60.6	39.7	31.9	4.9	3.8
United States	48.3	54.6	50.9	63.8	38.7	39.7	7.3	6.7

a) 15-24 for France, Germany and Japan.

b) data refer to 1977 and 1983 and to the following age groups: 14-24, 25-59, 60-64, 65 and over.

Source: Computed from data in OECD (1985).

between 1971 and 1983. The differences in growth of the two sexes is seen right across the board, but is exceptionally marked in the EEC countries where male employment has fallen by 4 million but female employment has increased by 3.5 million. Against this growth, especially in Europe, youth unemployment has risen and the number of legal immigrants has fallen;

-- In all regions there has been only one sector pulling its own weight as far as employment is concerned - the service sector, which up to now has more than compensated for the great job losses sustained by industry and agriculture.

Migration flows since 1970

The experiences of the sending and receiving countries are described in detail in other chapters, and it suffices here to mention some important elements that have changed or are in the process of changing as regards the migration scene in recent years:

i) International migration increasingly involves smaller numbers of people with respect to the other components of demographic change, but it has political, economic and social effects which are more than proportional;

ii) In the last 15 years in the OECD permanent immigration countries (Canada, United States, Australia and New Zealand) there has been a general process of review and updating of immigration laws. In general this review has attempted to link up, as far as possible, the quality and the quantity of the flows with the requirements of national labour markets;

iii) A large part of the foreign populations living in traditional European receiving countries has now become quasi-permanent. In areas of traditional emigration (Italy, Spain and Greece) not insignificant immigration flows have appeared from the Third World;

iv) International migration is a contributory factor to the economic activities of the receiving countries and to the survival of the immigrants who find work in them. Yet alone, it cannot resolve the problems of underdevelopment in the areas of departure because it eliminates only a minimal part of the population surplus and does not, in itself, activate a mechanism for economic development. Lastly, we should add that not only the developing countries, but also -- and in no small measure -- the developed countries contribute to the emigration flows;

v) South-North migration is still the most consistent, whilst South-South migration, which had increased significantly in some areas, seems to have lost momentum, not least because of the serious economic crises which have badly hit the countries in question, and which continue to do so;

vi) Immigration is no longer considered, as it was for many decades, as merely a factor of production, whose intensity can be quickly and easily regulated in line with the requirements of the labour market. The personal dignity of migrants is now recognised to a certain extent, which means that migration has provoked social and political costs that have in large part counterbalanced the economic benefits. This is why restrictive measures have been adopted with respect to further migration.

vii) In some countries, illegal immigration has appeared or reappeared. There is no way that a democratic state with long borders and heavy traffic across them can totally control the arrival flows, especially when there is a meeting of interests between the immigrant worker and his employer. The essential point is that the employer should neither be able nor want to employ clandestine workers;

viii) The increase in illegal immigration has contributed to a revision of attitudes and opinions concerning immigrants. Popular attitudes -- particularly in Europe -- have changed, partly as a result of the weakening of the idealism of the 1960s and above all of the 1970s, an idealism which derived from the counter-culture present in those years which tried to encourage a view of immigrants as citizens with full rights and therefore entitled to enjoy economic, trade union, political and human rights.

ix) Some of these phenomena should be interpreted in the light of the increasing migratory pressure of the developing countries on the developed ones. This pressure has been so marked as to have contributed in a decisive way to the reduction of the differences which, until not very many years ago, used to differentiate the industrialised countries, posing them similar problems, despite different national characteristics and different levels of economic development.

III. A COMPARATIVE EVALUATION OF POPULATION GROWTH BY MIGRATION AREA

A comparative analysis of the development of the total population and the population of working age by "migration area" may help to evaluate whether over-rapid demographic growth in the sending countries can create an excess of labour supply of demographic origin and, conversely, whether a much-reduced growth in the receiving countries can lead to a deficiency of supply, in both cases with implications for migration.

The receiving and sending countries have been examined together, and also divided into four "immigration areas". Three of these are made up of OECD member states, the fourth comprises oil-exporting countries of North Africa and the Middle East. In addition we have considered some others which are in the process of becoming receiving countries (e.g. Italy), or which could become so in the future (e.g. Japan). For each area we have contrasted the relevant sending countries. The migration exchanges are in fact very complex and are becoming even more so, but for the sake of simplicity each sending country has been considered here only once, and has been classified with the receiving area to which it sends most of its migrants or where it has major economic, political or geographical links. The trends of the variations in the working-age population in the grouped receiving and sending countries are shown in Table 11.

a) A global analysis of sending and receiving countries

Tables 9 and 10 clearly show how strong migratory pressures could be in the future, as far as the sending countries are concerned, if demographic variables alone were to influence the labour market. This pressure is further strengthened by:

-- A dependency ratio which, in 1985, was a good 24 points higher than that of the receiving countries (74 to 50), and which even at the turn of the century will be greater by 10 points (61 to 51). Although these ratios are not strictly comparable for obvious cultural reasons, they nevertheless indicate the larger numbers supported by each worker in the sending countries;

-- An increasing growth differential in the working-age population. The ratio between sending and receiving countries as regards the increase in this population was 3 to 1 in the 1960s, will be 9 to 1 in the period 1985-90, and 13 to 1 in the period 1995-2000;

-- A rise in the working-age population of the sending countries which will continue despite falling rates of growth. In the three five-year periods between 1985 and 2000, the rate will in fact fall from 2.6 to 2.4 and 2.3 per cent, but the increase in absolute terms will be 28.8, 30.2 and 31.9m.

Even in the OECD area alone, migratory pressure will be very strong because the sending countries concerned (Turkey, Yugoslavia, Portugal, Ireland and Finland) will have quite a marked increase in the working-age population (on average 1.5 per cent a year as against 0.4 per cent in the OECD receiving countries). Almost all of this increase (80-85 per cent) can be attributed to Turkey, which will consequently fuel the strongest migratory pressure in the OECD area. Finland, on the other hand, will contribute next to nothing: its rate is 0.1-0.2 per cent and, in view of trends of the last few years, it could be considered as a receiving country.

More significant than this global analysis is an analysis by migration area, notwithstanding the limits and approximations in the classification of the countries in the individual areas.

b) The North American immigration area

This area comprises two OECD receiving countries -- Canada and the United States of America. As sending countries, we have taken into consideration only the Caribbean and Central America, although a significant immigration quota in North America comes from Asia, from the rest of Latin America and from Europe. The flows (legal or otherwise) from the Caribbean and Central America are nevertheless the most important and seem to be growing as time goes on.

Table 9

TOTAL POPULATION (MILLIONS), AVERAGE ANNUAL INCREASE (MILLIONS) AND AVERAGE ANNUAL GROWTH RATE (%) IN RECEIVING AND POSSIBLE SENDING COUNTRIES, 1960-2010

	OECD Total (a)	Receiving countries			Sending countries		
		OECD	Arab	Total	Total	OECD	Other
Total population							
1960	658.9	596.9	6.5	603.4	1 014.4	62.0	952.4
1970	734.8	662.8	9.7	672.4	1 298.1	72.1	1 226.0
1980	801.3	716.6	16.1	732.7	1 641.9	84.7	1 557.2
1985	827.4	735.7	19.9	755.6	1 832.0	91.7	1 740.3
1990	853.3	754.1	23.9	778.1	2 029.5	99.1	1 930.4
1995	878.9	772.2	28.2	800.5	2 229.7	106.6	2 123.1
2000	903.0	789.1	32.9	822.0	2 425.7	113.9	2 311.9
2010	942.5	814.9	42.7	857.6	2 794.8	127.6	2 667.2
Average annual increase							
1960-70	7.6	6.6	0.3	6.9	28.4	1.0	27.4
1970-80	6.6	5.4	0.6	6.0	34.4	1.3	33.1
1980-85	5.2	3.8	0.8	4.6	38.0	1.4	36.6
1985-90	5.2	3.7	0.8	4.5	39.5	1.5	38.0
1990-95	5.1	3.6	0.9	4.5	40.1	1.5	38.5
1995-2000	4.8	3.4	0.9	4.3	39.2	1.4	37.8
2000-2010	4.0	2.6	1.0	3.6	36.9	1.4	35.5
Average annual growth rate							
1960-70	1.10	1.05	4.07	1.09	2.50	1.52	2.56
1970-80	0.87	0.78	5.23	0.86	2.38	1.63	2.42
1980-85	0.64	0.53	4.29	0.62	2.22	1.60	2.25
1985-90	0.62	0.50	3.71	0.59	2.07	1.56	2.10
1990-95	0.59	0.47	3.39	0.57	1.90	1.48	1.92
1995-2000	0.54	0.43	3.12	0.53	1.70	1.32	1.72
2000-2010	0.43	0.32	2.65	0.43	1.43	1.14	1.44

a) Including Yugoslavia.

Source: See Table 1.

Table 10

WORKING-AGE POPULATION (MILLIONS), AVERAGE ANNUAL INCREASE (MILLIONS), AVERAGE ANNUAL GROWTH RATE (%), SHARE OF POPULATION AGED 15-64 IN TOTAL POPULATION AND DEPENDENCY RATIO (PER 100) IN RECEIVING AND POSSIBLE SENDING COUNTRIES, 1960-2010

	OECD Total (a)	Receiving countries			Sending countries		
		OECD	Arab	Total	Total	OECD	Other
Total working-age population							
1960	412.8	376.0	3.5	379.5	552.5	36.8	515.7
1970	464.8	422.2	5.1	427.4	697.7	42.5	655.1
1980	522.4	471.0	8.8	479.8	919.1	51.5	867.7
1985	551.3	494.2	11.0	505.1	1 053.3	57.1	996.2
1990	570.0	507.8	13.1	520.9	1 197.1	62.3	1 134.8
1995	582.9	516.2	15.6	531.8	1 347.9	56.7	1 281.2
2000	597.8	525.9	18.3	544.2	1 507.2	71.9	1 435.3
2010	623.6	539.9	24.8	564.7	1 835.2	83.8	1 751.4
Average annual increase							
1960-70	5.2	4.6	0.2	4.8	14.5	0.6	13.9
1970-80	5.8	4.9	0.4	5.2	22.1	0.9	21.3
1980-85	5.8	4.6	0.4	5.1	26.8	1.1	25.7
1985-90	3.8	2.7	0.4	3.2	28.8	1.0	27.7
1990-95	2.6	1.7	0.5	2.2	30.2	0.9	29.3
1995-00	3.0	1.9	0.6	2.5	31.9	1.0	30.8
2000-10	2.6	1.4	0.6	2.0	32.8	1.2	31.6
Average annual growth rate							
1960-70	1.19	1.17	3.91	1.19	2.36	1.47	2.42
1970-80	1.18	1.10	5.60	1.16	2.80	1.92	2.85
1980-85	1.08	0.97	4.40	1.03	2.76	2.10	2.80
1985-90	0.67	0.54	3.70	0.62	2.59	1.75	2.64
1990-95	0.45	0.33	3.47	0.41	2.40	1.37	2.46
1995-2000	0.51	0.37	3.30	0.46	2.26	1.52	2.30
2000-2010	0.42	0.26	3.07	0.37	1.99	1.54	2.01

Table 10 (cont'd)

WORKING-AGE POPULATION (MILLIONS), AVERAGE ANNUAL INCREASE (MILLIONS), AVERAGE ANNUAL GROWTH RATE (%), SHARE OF POPULATION AGED 15-64 IN TOTAL POPULATION AND DEPENDENCY RATIO (PER 100) IN RECEIVING AND POSSIBLE SENDING COUNTRIES, 1960-2010

	OECD Total (a)	Receiving countries			Sending countries		
		OECD	Arab	Total	Total	OECD	Other
15-64 age group as percentage of population							
1960	62.6	63.0	53.7	62.9	54.5	59.3	54.1
1970	63.2	63.7	52.9	63.6	53.7	59.0	53.4
1980	65.2	65.7	54.8	65.5	56.0	60.7	55.7
1985	66.6	67.2	55.1	66.8	57.5	62.2	57.2
1990	66.8	67.3	55.1	66.9	59.0	62.8	58.8
1995	66.3	66.8	55.3	66.4	60.4	62.5	60.3
2000	66.2	66.6	55.8	66.2	62.1	63.1	62.1
2010	66.2	66.2	58.1	65.8	65.7	65.6	65.7
Dependency ratio							
1960	59.6	58.7	86.1	59.0	83.6	68.6	84.7
1970	58.1	57.0	88.9	57.3	86.1	69.5	87.1
1980	53.4	52.1	82.5	52.7	78.6	64.6	79.5
1985	50.1	48.9	81.6	49.6	73.9	60.7	74.7
1990	49.7	48.5	81.6	49.4	69.5	59.1	70.1
1995	50.8	49.6	80.9	50.5	65.4	60.0	65.7
2000	51.1	50.1	79.3	51.0	60.9	58.4	61.1
2010	51.1	50.9	72.1	51.9	52.3	52.3	52.3

a) Including Yugoslavia

Source: See Table 1.

Table 11

AVERAGE ANNUAL INCREASE (000s) AND ANNUAL GROWTH RATE (%) OF WORKING-AGE POPULATION BY "IMMIGRATION AREA", 1960-2010

	1960-70	1970-80	1980-85	1985-90	1990-95	1995-2000	2000-2010
				NORTH AMERICA IMMIGRATION AREA			
RECEIVING COUNTRIES							
Growth rate	1.70	1.76	1.03	0.71	0.73	0.99	0.79
Annual increase	2 179	2 676	1 760	1 258	1 346	1 917	1 618
SENDING COUNTRIES							
Annual increase	1 093	1 734	2 252	2 549	2 607	2 750	2 928
Growth rate	2.65	3.16	3.25	3.15	2.78	2.56	2.28
				EUROPE IMMIGRATION AREA			
RECEIVING COUNTRIES							
Growth rate	0.56	0.64	0.90	0.24	-0.02	0.02	-0.01
Annual increase	1 099	1 317	1 951	537	-38	46	-26
SENDING COUNTRIES							
Annual increase	1 315	2 311	2 945	2 988	3 373	3 940	4 581
Growth rate	1.71	2.46	2.61	2.34	2.35	2.44	2.37
				ARAB OIL-PRODUCING COUNTRIES IMMIGRATION AREA			
RECEIVING COUNTRIES							
Growth rate	3.91	5.60	4.40	3.70	3.47	3.30	3.07
Annual increase	163	371	424	437	489	550	647
SENDING COUNTRIES							
Annual increase	8 981	13 232	15 853	17 141	18 070	19 208	19 457
Growth rate	2.45	2.79	2.73	2.59	2.41	2.28	1.97
				PACIFIC IMMIGRATION AREA			
RECEIVING COUNTRIES							
Growth rate	1.82	1.03	1.01	0.96	0.38	-0.03	-0.19
Annual increase	1 346	879	930	926	382	-32	-194
SENDING COUNTRIES							
Annual increase	3 133	4 870	5 781	6 072	6 109	5 962	5 833
Growth rate	2.40	2.88	2.78	2.56	2.28	2.00	1.71

Source: See Table 1.

The average annual number of new permanent migrants in this area has not changed much recently, and runs at around 550-600 thousand admissions a year, with very different trends in the United States and in Canada (between 1966-70 and 1976-80 this number rose from 374 000 to 477 000 in the U.S., and fell from 182 000 to 121 000 in Canada).

The pace of growth of the sending countries compared with that of the receiving countries is 2.7 times as high for the total population and 4.4 times for the population of working age in 1985-90 (Table 11). In this five-year period, there will be the largest imbalance out of the entire 40 years considered. An average annual increase of 1.26 million people of working age in Canada and the United States means -- if current unemployment levels remain the same -- that about 800-850 thousand new jobs will have to be created each year in the five-year perod (given an employment rate of around 65 per cent). In fact, in the five-year period 1978-83 more than 1.1 million new jobs were created each year. Among the sending countries, Mexico in particular showed a big increase in population of working age -- 1 million people a year, which is equivalent to a rate of increase of 3.5 per cent.

c) The European immigration area

In this area, we have considered not only the traditional OECD receiving countries of North-western and Central Europe, but also some of the Southern European OECD countries (Greece, Italy and Spain) which were once exclusively sending countries but which are becoming receiving countries as well. Amongst the sending countries, we have included the traditional sources of migrants in Northern and Southern Europe, Turkey and North Africa (including Egypt but excluding Libya); these countries supply the absolute majority of the immigrant population in Europe, even if a significant number also comes from black Africa and from Asia.

The demographic disparities between the receiving and the sending countries in this migration area are very great (Table 11). The rapid growth in the sending countries is 13 times that of the receiving countries for the population as a whole, and 10 times as high for the population of working age. This gap will widen still further in the period 1990-95 when the receiving countries will have a reduction of about 40 000 people a year from the population of working age, whereas the sending countries will have an increase of 3.4 million per year. This contrasting situation already exists in the current five-year period (1985-90), if we take the case of certain individual countries. The annual growth in population of working age is almost zero in virtually all of the countries of North-western and Central Europe, and it is below zero in Germany (-100 000; -0.25 per cent) and in Switzerland (19 000; -0.22 per cent). The growth in employment in Europe in general over the last few years has been zero or below zero, and unemployment, especially youth unemployment, is very high; the demographic changes of the next few years should help this situation.

Very high growth rates in the population of working age in the possible sending countries can be found -- in addition to Turkey, as already mentioned -- in Algeria (3.7 per cent) and in Morocco (3.5 per cent). In general, however, all the countries of the southern Mediterranean show very high rates.

d) The immigration area of the Arab oil-producing countries

Among the receiving countries of this area, we have included the principal Arab oil-producing countries which, during the 1970s, have attracted large migration flows: in particular, Saudi Arabia, Libya, the United Arab Emirates (UAE), and Kuwait. It is estimated that the total number of foreign workers in these countries was 1.8 million in 1975 and 2.8 million in 1980 [UN (1985b)].

We have included as sending countries those that supplied the greatest number of workers, i.e. the Yemen, Jordan, Pakistan and India, and the other countries in the same region apart from Egypt (even though it has provided large migration streams towards these countries), because for geographical reasons it was included in the previous immigration area. Here we are dealing with a group of densely populated countries which together account for a quarter of all humanity. The receiving countries, on the other hand, are small countries with tiny populations; in some, the percentage of foreign workers in the total labour force has reached worryingly high levels (70-80 per cent in the United Arab Emirates and Kuwait, 40-50 per cent in other countries such as Saudi Arabia and Libya).

In this area, it is the differences in absolute terms that count, rather than the rates of increase which are, in any case, higher in the receiving countries (Table 11). However, the absolute differences are so exceptionally great that migration can do little or nothing to reduce them, even if the receiving countries succeeded in resolving all the problems deriving from the high rates of demographic growth and from the sharp reduction in the price of oil.

e) The Pacific immigration area

The group of countries under consideration in this section do not really constitute a genuine migration area in the same way as those previously examined since there is no unifying factor between Australia and New Zealand on the one hand, and Japan on the other. They are not geographically adjacent, and do not even have similar immigration policies -- Australia and New Zealand favour immigration for permanent resettlement, whereas Japan has not as yet encouraged any kind of immigration. They have been grouped together only because they are OECD countries in the Pacific area with advanced economic development and which attract or could attract immigration.

In the sending countries group, we have included both the North-east Asian countries (such as South Korea) and the South-east Asian countries (such as Indonesia, the Philippines and Thailand) which supply an increasingly large number of the immigrants in Australia and New Zealand. The number of immigrants in Australia and New Zealand has fallen greatly, declining by just under 1 million in the five-year period 1966-70, and by a little less than half a million ten years later. Given their present immigration policies, it is unlikely that there will be a large increase in the immigration quotas planned for the next few years.

Not only does Japan not have any immigration, but what is more, in a survey carried out by the United Nations on immigration policies, it replied that it considered emigration abroad to be important and that it intended to adopt policies in favour of a higher rate of emigration [UN (1985b)]. The future demographic trends could, however, change both the situation and this attitude. In fact, the recent sharp drop in births will bring a consistently large decrease in the population of working age in 1995-2000 (200-300 thousand people per year). In this situation, it is difficult to forecast whether the attitude of the economic and political system will still be one of total opposition to immigration.

On the other hand, there are countries in the area that are experiencing major demographic growth -- for example, the Philippines, Indonesia and Thailand. They are rapidly becoming among the most important "labour exporters" in South-east Asia, and their governments are encouraging emigration, albeit in different ways. This group of countries, whose emigration is not only directed towards the receiving areas in this area but also towards North America, Europe and the Middle East, will have a large increment of about 6 million people of working age every year from 1985 to 2000 (with a growth rate that varies from 2.6 to 2.0 per cent).

IV. CONCLUDING REMARKS

In the 1960s, the growth rate of the total population and of the working-age population was about 1.1 per cent in the OECD countries as a whole, and around 0.7 per cent in the European countries, far below the rates one can at present observe in the LDCs. Even with such low rates, demographic-economic imbalances between OECD regions led to widespread permanent resettlement migration and labour migration. Southern European countries, and a few in the North, were given a great historical opportunity to dispose of their surplus labour supply in the main immigration areas: North America (and South America to a small extent) and Australia, but above all Western Europe.

The situation today is far more complex than it was in the 1960s, because:

i) There are many more countries with strong demographic-economic imbalances, in particular with an excess labour supply of demographic origin;

ii) The magnitude of this surplus is extraordinarily large, considering that in the mid-sixties the annual increase in working-age population in the LDCs was about 29 million, compared with 60 million today (for the MDCs, the figures are 7 and 5 million, respectively);

iii) The rates of working-age population growth are much higher than before, and differ greatly between areas, creating a much wider demographic differential;

iv) The quantitative mismatch between labour demand and supply that previously regulated the labour market and migration flows has been joined by a qualitative mismatch that is radically changing the old "rules of the game". This is giving rise to unusual, not to say paradoxical, situations, such as countries with both high unemployment rates and large numbers of illegal immigrants;

v) The areas willing to receive migrants have not expanded adequately in comparison with migration pressures. It is true that the Arab oil-producing countries have since joined the three main traditional areas (North America, Australia/New Zealand, Western Europe), but it must be borne in mind that Europe has reduced the number of eligible immigrants to insignificant figures;

vi) In some countries, economic growth has not increased employment ("jobless growth"), something that has never occurred before. This is what has happened in Europe over the past ten years, for example. We are passing through a period of far-reaching and rapid social and technological change, whose effects are not one-way;

vii) The speed, safety and cheapness of transport have increased beyond all measure, making it possible for huge masses of people and workers to move around, even from poor countries;

viii) We are going through a period characterised by the widespread dissemination of information: with increased knowledge and information, people become more aware of their plight and of the alternatives, and this gives them a further incentive to emigrate.

In view of the foregoing, there is no doubt that as far as the demographic component alone is concerned, there is likely to be a very strong push from the countries of the South, sharply increasing their potential migration flows. However, this situation is considerably influenced by a very complex set of other factors to which we shall now turn. We shall discuss only a few of the key variables affecting the demand for foreign labour in the receiving countries, since -- in our view -- these are the ones which, in the final analysis, will determine the actual migration outcomes, rather than the characteristics of the sending countries. Many studies have been conducted to evaluate the development trends and problems of the more developed countries as a result of technological innovation, and particularly in relation to the micro-electronics revolution and the structural changes that have occurred in production systems. But not enough attention has always been paid to the fact that population growth and GDP growth are quite distinct, and that the labour market is quite different from the commodity and capital markets. We shall therefore be referring to technological innovation, structural change and global development only insofar as they might affect the future of migration flows.

Labour market and employment studies have amply demonstrated the fact that at this stage in history, structural changes can both destroy jobs and create new ones, and that this is true of individual sectors of production (manufacturing versus services, etc.) and of whole countries, with an overall employment balance that may be negative or positive (Europe versus North America, for example). It is up to the economists, technologists, entrepreneurs and politicians to introduce and foster the structural changes which revitalise production, and hence increase employment and raise living standards. They, together with education and social policy makers, will also have to ensure that with these new sources of employment growth, there is an appropriate educational and vocational training policy to cater effectively for the people who have been pushed out of their particular sector and job, and for those who are about to join the labour market for the first time. At the same time, people must be prepared for greater geographical and occupational mobility, because this is likely to become increasingly demanded during their working lives, as well as a greater willingness to accept "unattractive" or "unwanted" jobs, even if on a temporary basis.

All of these factors -- training or retraining policy, mobility, accepting any kind of job -- should bring about that oft-proclaimed "labour flexibility" which is one of the features essential to the advanced industrial societies, if they are to gain from all the potential benefits of structural change.

This flexibility -- which would go beyond spontaneous but undesirable market adjustments which have already occurred such as moonlighting or the employment of undeclared migrants -- seems to be one of the main challenges facing us today, particularly in Europe where rigidity is acknowledged to be one of the major structural causes of the malfunctioning of the labour market. However, in Europe most observers agree that it would be out of the question to raise flexibility by simply going back to "easy dismissals". What is required is to achieve "easy job changing" and maintain coverage of social security and pension rights while unemployed or undergoing training. Because of long-standing political and trade union traditions and structures, flexibility can never be a matter merely of removing the obstacles to dismissal. Politicians and trade unions will have to show a great deal of imagination to devise appropriate procedures for both the labour market and the social security system, if real labour mobility, acceptable to both sides, is to be achieved.

Such changes should help to match labour supply and demand, not only in *quantitative* but also *qualitative* terms. Matching the labour supply and demand should be viewed at the international level, and particularly in Europe, to resolve the huge problems in the short and medium term. If this scenario does emerge, as it probably will, there is unlikely to be much short- and medium-term demand for foreign labour, because the priority problem in the OECD area is how to absorb or re-absorb the young unemployed, women who want to work, and those who have been made redundant. For the OECD as a whole, and especially Europe, it is quite probable that there is little or zero capacity to absorb any new immigration flows, save for a certain number of jobs that may remain "undesirable" and for which foreign workers may continue to be needed and welcomed.

Then there is the problem of the social costs, the social tensions and the resultant policies that are adopted by the receiving countries to deal with immigration. Viewing the immigrant as a person entitled to certain rights, facilities and services, and not merely as a means of production, has considerably raised the global cost of immigration. This has led to a major shift in attitudes and policies on the part of the receiving countries, in the direction of more restrictive measures. One of the reasons for this change has been the social tension and concern that is created in a country when the resident foreign population stock rises above a given threshold, and exceeds a particular proportion of the national population. Fear is felt for the ethnic and cultural identity, and the often unbridled competition that is unleashed on the labour market; fears are expressed, almost invariably without any justification, about a rise in the crime rate, and so on. It should be noted that this alarm over thresholds not only sounds when the foreign population rises above the national average, but also when it occurs in one region, or even in a single metropolitan area in the host country. This occurs more rapidly and easily because of the tendency of immigrants to gather in particular areas. Such fears, and the resultant hostility, also depend on the rate of immigration. To ensure that the host population and the immigrant community are able to integrate more fully, action must be taken to prevent the social fabric from being overwhelmed by huge inflows over a relatively short period of time.

There is another reason why there is unlikely to be any short-term change in the OECD countries' migration policy of restricting entry altogether or accepting new arrivals only on a quota basis. That is the awareness of the strong demographic growth potential of the foreign population already settled. This means that the immigration quotas mentioned above are calculated with allowances made for the second generation, and that the cost in terms of social services and amenities that have to be provided for the immigrants will be borne for a long time to come. Hence the decision to foster the integration of all the members of the migrant workers' families, even in terms of employment.

One final comment. Even if the receiving countries were to show the maximum willingness to accept new immigrants, no more than roughly 1 million new arrivals per year could possibly be taken up by the three OECD immigration areas. Even this figure would require enormous effort on their part, and in numerical terms would be only a drop in the ocean, considering the magnitude of the employment problem in the sending countries, which need to create 35 million to 40 million new jobs every year to solve it.

Migration will thus continue to weigh heavily on the developed countries over the next few years. In our view, the pressure will be extremely strong, and will even increase. To a certain extent it will be impossible to curb, because experience has shown that no borders are completely impenetrable and no policing, however efficient, can ever be foolproof. It is therefore necessary for the OECD area to take a fresh look at the problem of adequate employment growth, considering it not only as a "domestic policy" problem, but also as an external problem, setting out clearly the complex interplay of demographic, economic and political factors between the OECD area and the rest of the world. The most important and difficult problem to deal with is to foster economic development, and hence the growth of employment in the countries of origin. Only if such a policy of retention is successful can the very strong pressure of migration that will be created between the North and the South be effectively weakened. More intensive, productive and effective North-South co-operation would seem to be the only way out. Co-operation is called for which is not based solely on trade policies, but which is also of a financial and organisational nature (involving the creation of an adequate infrastructure, inter alia), and which is not merely based on bilateral or multilateral government schemes, but involves private companies and, above all, the multinationals. Effective action in this direction would also help to reduce fertility more rapidly and thereby weaken further migration pressure. Raising the per capita GDP of the developing countries, which are already the most highly populated markets, will also substantially benefit the more developed countries. In any event, whether more intensive and effective co-operation comes about as a result of a civilised sense of responsibility, or as an economic choice or out of necessity, there seems to be no other alternative open to the countries of the North.

NOTES

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2. The population data used are based on the projections made by the United Nations Department of International Economic and Social Affairs [UN 1985a)]. The data have been reworked, hence the slight differences between our tables and those published by the UN. Of the three variants used for the UN projection, we have taken the "medium variant", which the UN reckons to be the most reasonable and reliable at world level.

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THE IMPLICATIONS OF GROWING ECONOMIC INTERDEPENDENCE

Sidney Weintraub and Chandler Stolp

I. INTRODUCTION

Migratory flows respond to a number of stimuli, most of them economic -- such as income differentials, changes in differentials and in relative economic conditions generally, structural features in the economies of sending and receiving countries, and shocks. Underlying causes are often not fully understood but some relationships are nevertheless reasonably predictable. Income differentials, for example, do not give a complete explanation of migratory flows, but the data will indicate the direction. The individual migrant may not make precise marginal calculations about the purchasing power of relative incomes in a home and destination country, discounted for the necessary capital outlay for the journey, but he or she makes a calculation nonetheless; once again, the direction of net movement is unambiguous, based on the sum of these individual calculations. Migratory chains start up and perpetuate themselves from countries of lower economic opportunity to those with greater economic possibilities.

There is a less clear-cut relationship between other economic variables and the magnitude and direction of migratory flows. It is not predictable in the short term whether a modest increase in incomes in a sending country will lead to greater outflow because the greater income makes this possible, or will slow down the outflow because of the reduced income differential. An economic slowdown in a receiving country may reduce the attractiveness of the country for would-be immigrants but immigration may in fact not be deterred because economic deprivation is still greater in sending countries. An increase in exports from a sending country may not reduce emigration despite job creation since this influence might be overwhelmed by the short-term income effect which stimulates emigration.

This paper first examines the relationships between economic developments and migratory flows, which will be discussed on the basis of economic and migration theory, asking what the combined body of theory can contribute to explaining migration flows. Results are then presented of empirical tests of some of these theoretical propositions applied to the experience of the United States and Mexico. The final section of the paper will speculate about future migration tendencies under different assumptions about international economic policies.

II. ECONOMIC INTERDEPENDENCE AND MIGRATION

Migration theory has become more complex over time. The earliest explanations dealt with economic opportunity (even escape from starvation in the case of Ireland), the search for religious freedom, the colonial relationship between immigrant-sending and immigrant-receiving countries, and distance. Some of these explanations are encompassed in today's models under such terms as push-pull (escape from economic deprivation, attraction of economic improvement) and gravity models (based on distance and volume of migration).

There has long been dissatisfaction with the earlier models because of their incompleteness; patterns of migration changed in the course of this century and became more complex. Gravity models based on distance are often dismissed as being merely empirical rather than explanatory [Pryor (1981, p. 117)]. Some scholars have argued that since push-pull models do not lead to complete transfers of populations, the explanatory variables must involve personal idiosyncracies which should be captured in models [Portes (1981, p. 280)]. However, since the aggregate of these personal characteristics permits prediction of the direction of migration, there must be some combination of personal and underlying general forces at play.

Any model seeking to capture all these variables would be complicated enough and probably not universal in its explanatory potential, but the issue is made even more difficult by changing attitudes toward immigration. It is not just theory at play, but policy. It is commonplace in writings about migration to point out that the freedom to emigrate, which is seen as a basic human right, is meaningless without the counterpart opportunity to enter some other country [Böhning (1981, p. 32); Zolberg (1981, p. 27)]. It is also clear that the number of immigrant-accepting countries is diminishing, as was made dramatically evident when refugees streamed out of Southeast Asia during the 1970s and early 1980s. In this asymmetrical milieu of more persons wishing to go than there are places to receive them, the pressure for clandestine migration must grow.

Much of the theorising about migration is therefore driven by policy considerations. If potential receiving countries no longer wish much immigration, legal or clandestine, permanent or temporary, their search for theoretical explanations is guided by the desire to find ways to cut off the flows. Theorising has taken on an adversarial nature, of receiving countries wishing to curtail flows, and sending countries convinced that these flows are either political escape valves and/or provide necessary balance-of-payments benefits. If the major motive for emigration is economic, the policy search by receiving countries leads to an examination of their foreign economic policies so as to determine how these can combine with economic programmes of sending countries to dampen the emigration drive.

International economics and migration

The generally free flow of factors, particularly labour, can be a powerful equilibrating device, so that when international migration was relatively free (that is, when there were many immigrant-receiving countries), the normal expectation was that human movements would play a large role in reducing differences in income levels among countries: people would move from places of lower opportunity (for them) to places of greater opportunity. This ability of labour to move is still the norm within countries, and is usually part of regional development policies, although it is becoming increasingly less so across countries. The international tendency seems inexorable that, with a few exceptions, fewer and fewer countries are willing to accept even fewer permanent immigrants. If migration is restricted, economic foreign policies must seek other equilibrating mechanisms in trade and capital flows.

Trade

A partial substitute for labour movement in approaching some equalisation in income levels among countries (and hence reducing the incentive to migrate) can be found in free trade: the products of factor inputs move in place of the factors themselves. It was on this basis that the post-war international trading and financial systems such as GATT and the EEC were constructed, since the industrialised countries accepted the inevitability of continuing controls on labour movements but recognised (not necessarily explicitly) that the liberalisation of trade was a more easily attainable goal. The movement of people is limited for the same economic reasons that there is protectionism: sovereign countries are concerned primarily about maintaining domestic income and employment and only secondarily about income and employment in other countries. (They may also restrict immigration on cultural and ethnic grounds, but this is becoming less acceptable as an explicit reason.)

Trade theory is not in a settled condition. Standard theory uses a combination of comparative advantage first analysed by Ricardo and relative factor endowments later elaborated by Heckscher and Ohlin. Under Heckscher-Ohlin, countries can be expected to export those goods embodying the country's dominant factor, presumed to be labour in most developing countries and capital and technology in most industrial countries. The standard theory has since been refined in many ways by analysing the human capital element in exports and imports (arguing that human capital is as much or more capital as labour), the peculiarity of the factor mix in natural resource exports (which can be capital intensive), and the element of originality and technology in the movement of goods and services.

The very concept of comparative advantage has come under attack as being too static. Countries can create comparative advantage by industrial policies of devoting public or private resources to research and development and training of technicians. As transportation facilities improved and movement of goods and services became cheaper, a natural-resource base became less important even in industries using natural resources, such as petrochemicals and steelmaking. The advances in international communications, facilitated by the international spread of multinational corporations, led to theories positing the shortening of cycles during which innovating countries maintain original advantages. This puts emphasis on the need for continued innovation to maintain incomes as technologies are disseminated and become standardised. The tendency in international trade is for growth in the movement of intermediate as opposed to final goods, made possible by the combination of cheaper transport and the existence of affiliated companies in many countries. This is exemplified in the maquiladora (assembly plants employing mainly women) in Mexico in which relatively labour-intensive activities are carried out in such industries as electronics, automotive and apparel for later incorporation into final products in the United States.

The relevance of these theoretical constructs, which have been simplified for purposes of exposition, is the belief that as developing, migrant-sending countries augment employment in export industries, the economic incentive to emigrate will diminish.

If comparative advantage is allowed to follow a natural dynamic course, taking into account the shortening of product cycles and the decline in transportation costs, one would expect employment and incomes to increase in those migrant-sending countries able to take advantage of the trade opportunities. As they do, wages in these countries should gradually converge with those in developed countries, as in fact is taking place in many of the advanced developing countries and as was the case earlier among developed countries. The law of one price would have its maximum impact in the absence of trade restrictions. The convergence would be a long process, but if one accepts the primacy of the economic motivation for emigration, the combination of increased employment in migrant-sending countries and wage convergence should alter migration patterns. The maquiladora and similar assembly operations throughout the world would, in theory, employ people at home and the goods they produce can then move instead; this is part of the rationale for the Caribbean Basin Initiative (CBI) instituted by the United States, which provides trade preferences to beneficiary countries in the Caribbean Basin.

There are, of course, problems with painting an overly optimistic picture of slackening pressure to emigrate. These problems are related to policy measures in the receiving countries (and in the sending countries, which will be taken up in a later section) and in the uncertainty of theory. We know that emigration is prompted by motives other than economic so that efficient operation of the international economic system will not be a sufficient basis for stopping emigration forces, although the economics will have a powerful influence. In the case of the Caribbean Basin, theory does not take into account the proximity of the United States to the Caribbean countries, which has meant that the migration effects of preferential and co-production arrangements are very different from those of Japan and Europe with their more distant partners, e.g. in the Lomé agreements.

The major policy problem in practice is that developed countries do not permit comparative advantage to fully guided trade flows: trade is not unrestricted and the most severe impacts of restrictions imposed by the developed countries are on precisely those products in which developing countries are most competitive. It is not necessary to provide a full list of products subject to trade restrictions but they include textiles, textile products, shoes and steel. The markets for agricultural products, including many on which developing countries rely heavily for employment and which they can produce more cheaply than the industrial countries, are also restricted on the import side and distorted on the export side by subsidies. Sugar is perhaps the leading example, but the same is true for wheat and other commodities of importance to various developing countries. The preferential treatment accorded by the United States under the CBI is severely diminished by exceptions, which include many of the products listed above. Consequently, it is inevitaole that if the overt options to improved economic opportunity are closed, and the free movement of both people and goods is restricted, then the migration pressure will find the only escape available, namely, clandestine movement of people. This is what is happening regarding emigration from the Caribbean to the United States, aided by the fact that there is still a "half-open door" for legal immigration. Such clandestine immigration is increasing in Western Europe as well, for many of the same reasons.

Another problem with the theory in practice, which constrains any optimistic forecast about the effects of trade on migration, is that the impact on emigration of slightly increased incomes from jobs in export industries cannot be determined. The evidence from Mexico is that there was a steady increase in emigration to the United States, at least as measured anecdotally and from apprehension data, in the years of high Mexican economic growth during the 1960s and most of the 1970s. Evidence from the Dominican Republic is similar: modestly higher incomes led to increased emigration [Hendricks (1974)]. What seems to happen, at least with respect to clandestine immigration into the United States, is that it increases with hard times or economic shocks in sending countries but does not diminish when the economy of the sending country recovers. There seems to be a ratchet effect. Efforts have been made to track Mexican emigration to the United States based on the economic cycle in each of the countries and the relationship between the two cycles (whether they are in the same or the opposite direction), but the outcomes are indeterminate [Grebler et al. (1966)]. This is hardly surprising in light of data problems in counting clandestine entrants.

The United States has an excellent example of the interaction among trade, economic growth, and migration in its relationship with Puerto Rico. Puerto Ricans are different in their migration status from persons in Mexico or elsewhere in the Caribbean because they are legally entitled to enter the United States so that the problem of repeated clandestine trips does not arise. There does seem to be a pattern of increased movement from Puerto Rico to the mainland during hard economic times on the island and a decline in migration when jobs in the United States are scarce [U.S. Department of Commerce (1979, pp. 589-602)]. One hesitates to draw general conclusions from the Puerto Rican example because of the relative ease of multiple entries.

One other aspect of the Puerto Rican experience merits mention. Industry and employment on the island were stimulated by a series of incentives: duty-free entry of goods to the mainland, tax benefits both on the island and in the United States, and other encouragements to industry provided by the island authorities. Industry did thrive, employment grew, and incomes rose. So did wages. Over time, as the incentives became weaker (they were weakened further by the preferences under the CBI), the relatively high wages in Puerto Rico became a disincentive to further industrial growth. The result has been substantial unemployment. The experience raises some doubt about the long-term validity of the CBI and Lomé models, at least as they pertain to trade. The employment created under these models does not generally require skilled workers and may be durable only as long as the wages remain low in relation to other places where similar assembly operations, with comparable productivity, can be mounted.

Furthermore, the nature of jobs in sending countries presumably has an effect on the desire to stay or emigrate. Most of the employees in the assembly plants along the U.S.-Mexican border are women and this is generally true of similar assembly plants elsewhere. At the U.S.-Mexican border and in the Caribbean, therefore, the increased exports stemming from these operations have no discernible effect on the relative attractions of staying or going for roughly half the population. If the assembly plants attract persons to potential staging areas for emigration, as seems to be the case on the U.S.-Mexican border, this can swamp any emigration-inhibiting effect that might exist from increased employment and higher incomes.

Any theoretical discussion of the migration-inhibiting effect of increased exports requires that a distinction be made between the short and the long term. While the effect on emigration in the short term of slightly higher income from regular employment in export industries may be indeterminate, the only economic escape from emigration pressures in the long term presumably lies in generating higher per capita incomes with reasonably equitable distribution. More than trade is involved in achieving higher incomes, but trade is nevertheless an important determinant for many of today's sending countries. The emigration pressure in many of the fast-growing Asian countries, for example, is modest and much of this presumably is the result of successful trade performance. Italy had a similar experience in that emigration pressure declined over time as trade-led economic growth increased, and Italy has found itself increasingly becoming an immigrant-receiving country.

Capital flows

It is the migration-receiving countries that place most restrictions on the free flow of labour. By contrast, the migration-sending countries are most likely to place restrictions on the flow of capital in the form of foreign direct investment. Under ideal circumstances, the combination of the flow of labour from areas of low economic opportunities and rewards and the flow of capital to areas of greatest returns would optimise international economic efficiency. The international system works that way in part. A modest amount of labour (modest relative to the total potential) does emigrate, legally or otherwise, as theory would predict, and some capital does move to low-income countries. The capital movements take the form of grants, debt, and equity, and it is by now a familiar story that debt flows have far exceeded the other two. While there have been criticisms of developing countries for contracting excessive foreign debt, it is unlikely that equity flows could have replaced debt. For many regions today, especially Latin America, total debt service is greater than capital inflows. In the current situation, therefore, the international economic system is working contrary to what theory would predict in that the net capital flows (counting interest payments as a capital flow; some interest payments clearly are a form of capital recovery because of inflation) are moving from developing to developed countries, from migrant senders to migrant receivers. The United States, the most important migrant receiver among developed countries, is a capital importer of gargantuan proportions.

The manner in which capital movements could potentially affect migration is similar to the trade flow analysis. Indeed, much of the capital movement is trade-related; or, the reverse, much trade is capital-related. This is evident in the U.S.-Mexican relationship where about 50 per cent of non-oil trade between them is between related parties [USITC (1981, p. 163)]. For its non-oil, non-primary commodity trade, the maquiladora plants are Mexico's most dynamic exporters, though the majority are not Mexican but are subsidiaries of American firms. Investments in maquiladora have been particularly dynamic in recent years because the depreciation of the peso since 1982 has drastically reduced the dollar-denominated wage cost. These plants have played a large role in total U.S. investment in Mexico because they are not subject to limitations on total equity control, which is normally 49 per cent for foreign firms in Mexico -- maquiladora investment can be 100 per cent foreign-owned.

To the extent that capital flows augment employment and income, they will affect emigration ambiguously in the short run (because of the uncertain effect of modestly increased incomes) but should play a clearer role in dampening emigration in the long run. For a populous country like Mexico, foreign direct investment, which is normally about 3 per cent of total investment, is less significant than national investment. However, the combination of all capital flows (debt as well as equity) and the trade consequences of these flows are important elements of Mexico's economic performance. These international transactions can work to increase income and employment, as they presumably did during most of the period since the Second World War. Alternatively they can dampen income and employment growth, as is probably now the case when capital outflows (capital flight, amortisation, and interest on external debt counted as a capital outflow) exceed inflows.

The effect of foreign capital flows, with the trade consequences of these flows, must be examined on a country-specific basis. The other countries that send large numbers of persons to the United States, i.e. those in the Caribbean Basin other than Mexico, are much less populous than Mexico. Foreign investment in them as a proportion of total investment is higher and trade as a proportion of GNP is much greater, typically 30 per cent and higher, compared with about 10 per cent for Mexico. The employment-creating effect of the maquiladora, while significant, is modest compared to Mexico's total needs. There are some 250 000 persons employed in the maquiladora out of an economically active population of more than 23 million (that is, about 1 per cent of the total). Indeed, total employment in the maquiladora is about 20 per cent of the annual additions to Mexico's labour force. On the other hand, in small island countries of the Eastern Caribbean, the establishment of assembly plants can affect larger proportions of the active labour force. These small countries individually, however, send far fewer migrants to the United States than does Mexico.

Another important source of foreign exchange, of capital, to sending countries generally is official foreign aid. In the case of Mexico, this comes overwhelmingly from multilateral sources. For most other countries sending migrants to the United States, aid comes from a combination of bilateral and multilateral sources. The African-Caribbean-Pacific (ACP) countries affiliated with the EEC in the Lomé agreement also generally receive aid from both bilateral and multilateral sources. Again total aid flows are significant as a proportion of total investment in many of the smaller countries. The analysis of the effect of official aid on emigration is similar to that for other forms of capital flows and for trade.

Finally, one other source of capital should be mentioned, namely, that which comes from the migrants themselves in the form of remittances. These are often significant and may contribute to increasing employment in the sending countries if they serve as the savings basis for investment in home construction or some business enterprise. The long-run benefit of remittances to sending countries is ambiguous, however, since they are irregular, thereby hindering a policy of steady economic expansion, and they may increase consumption and imports, rather than augment investment [see Körner Part I].

The short-term/long-term distinction used in the analysis of the relationship between trade and migration is also applicable to the analysis of the effect of capital flows. The impact of these flows on migration is not determinate in the short term. To the extent that the flows conform to dynamic comparative advantage, they should help in the process of wage convergence over the long term and thereby dampen the desire for emigration. All the caveats cited earlier about the non-economic causes of emigration are applicable here as well. The nature of the foreign investment, the types of jobs created and their durability as wages increase are all relevant considerations for assessing the long-term impact on emigration. As noted above, the job-creation and income-raising effect of foreign investment in Puerto Rico did tend to dampen the impulse to emigrate, but this dissipated over time. Turkey, Greece and Ireland had similar experiences, which stimulated these countries to introduce structural changes in the nature of their development programmes so that industrial job creation would be more durable.

While immigrant-receiving countries rarely base their economic foreign policies primarily on migration considerations, these sometimes enter tangentially into the policy process and in fact the connection was explicitly stated when the CBI was proposed by the U.S. Government. The United States cares more about income and employment in nearby countries than in distant ones. This is manifest from the trade preferences of the CBI and the direction of bilateral development aid. Security considerations dominate these decisions, but presumably so also do concerns about migration. Many of the aid instruments chosen, such as selective trade preferences and bilateral assistance, permit pinpointing of target countries. The difficult question is whether the policy measures taken will have any effect on migration flows. The measurement of their effects on migration is complicated by the overlay of other simultaneous developments (e.g., civil war and demographic growth), and with respect to the most important migrant-sending countries, the foreign economic measures of receiving countries are dwarfed by actions taken by sending countries themselves.

Domestic economic policy in sending countries and migration

The dominant economic issues influencing emigration over which sending countries have some control are demographic trends, the ability of the economy to meaningfully absorb persons entering labour and professional markets, and the nature of their domestic economic model (including the balance between import-substitution and export-promotion).

The countries that send most migrants to the United States generally have high rates of population growth and insufficient job creation to absorb new entrants into the labour market. The same is true for countries sending migrants to European OECD countries [see Golini Part I]. In the case of Mexico, annual rates of population growth have apparently receded, perhaps by close to a percentage point (from about 3.3 per cent in the 1960s and early 1970s to around 2.5 per cent at present; the current figures are inexact because full data from the 1980 census are not yet available), but this will not affect entry into the labour force until the end of the century. Entrants into the labour force in Mexico now number about one million annually, a figure larger than the economy can absorb in full-time employment. Hence pressure to emigrate, at least seasonally, is intense. Population growth rates are also high in Central America and much of the Caribbean, though the total numbers involved are lower.

What domestic economic policy is most effective in creating jobs at home? The answer undoubtedly varies by country but there has been enough recent experience from which to reach tentative conclusions. Some analysts have argued that export-led economic growth cannot be a decisive answer to creating higher levels of income and employment in sending countries. This much is not controversial. The argument is then sometimes made, implicitly or explicitly, that the balance between import-substitution and export-promotion policies should be tilted to the former because of the unskilled nature of jobs in export activities and the uncertainty of import policy in developed country markets [Portes (1983, pp. 383-404)]. This is a debatable proposition for populous countries, such as Mexico, but does not address the objective situation in less populous sending countries, such as the small island countries of the Eastern Caribbean which can hardly prosper without exports.

In Mexico the economic model has gone through variations since World War II, but the common feature of these programmes until now has been heavy reliance on import-substituting industrialisation, involving the establishment of domestic industries protected from international competition by a variety of tariff and nontariff measures. Whatever success the policy had in stimulating industrialisation and overall economic growth, it has been an admitted failure in achieving equitable income distribution or adequate job creation. The model must surely have reinforced those tendencies toward emigration which already existed. Similar comments can be made of earlier economic models in Turkey and North African sending countries.

As a relatively populous country with close to 80 million inhabitants, Mexico had the superficial makings for "development from within" (the phrase used in Mexico). However, the size of the effective domestic market was probably only about a third to a quarter of what the gross population figures imply since the unequal pattern of income distribution and the absence from the money market of much of rural Mexico, still about a third of the total population, narrows the effective market. Those who argue that the development strategy most likely to inhibit emigration is the import-substitution model cannot rest their case on the Mexican experience. They must instead argue that Mexico, and other import substituters, must somehow become more efficient in the application of their programmes.

The small economies of the Caribbean do not have the viable option of import-substitution policies. One of the motivations behind the creation of the Central American Common Market (and to some extent of the Caribbean Community) was to enlarge the scope for import substitution to the regional level. In the early years, as internal tariffs were reduced, the protection against imports from outside the CACM were increased. The experiment did not work in providing sufficient jobs because the inefficient production system that resulted did not have a large enough internal market. For such countries the relevant issue is the nature of their exports, whether of primary products, manufactures put together in assembly plants, services like banking and tourism, or people who send back remittances.

Countries in Asia have generally been more successful in absorbing entrants into the labour market than those in Latin America. The development policies of Asian countries were not without import protection, but the bias in their industrialisation programmes was toward export promotion. They were not export pessimists, as were most Latin American countries. Most of these countries, with the notable exception of the Philippines, do not have the intense emigration pressures that exist in those countries which send most migrants to the United States. The distortions in factor markets in Mexico, favouring capital over labour use and then protecting inefficiency, were more severe than in Northeast and Southeast Asia. They were also more severe in Turkey and North Africa. The contrasting internal development models must have had something to do with different emigration experiences.

The purpose here is not to enter into a debate on development strategies but rather to emphasise that the crucial economic policy measures affecting emigration are usually those made at home. This simple, probably noncontroversial, assertion has significant implications for emigration pressures that may exist for the rest of this century and beyond. Internal economic policy is a sovereign prerogative, but the choices made do impinge on others.

Information

Little need be said about the importance of information in encouraging migration and establishing networks (the issue is discussed by Simon in Part III). Migrants coming to the United States from Mexico and Central America usually have specific destinations in mind as a result of information they have received. Once in the United States, they may alter their occupation or destination, based on more complete information about job opportunities and rewards. Most Mexicans used to come to the United States for seasonal work in agriculture, but the evidence is that only about 15-20 per cent of clandestine migrants now seek work in agriculture because of better pay in other fields [North and Houstoun (1976, p. 104)]. As in other receiving countries, there are networks to provide information about jobs to those coming and those already in the United States, facilitated by the large established communities and by the extensive legal movements, numbering in the hundreds of millions of crossings annually, between the two countries.

World systems

It is clear from what has been discussed that international migration is not a discrete phenomenon that can be controlled (if that is the intent) by dealing just with the symptom (the act of migration). It is part of a more complex system involving internal political, economic and social considerations in both sending and receiving countries, and in the interactions among countries. Systemic features which affect migration should be borne in mind in devising national and foreign economic and political policies since decisions are made that have nothing to do with migration, but migratory outcomes often follow -- and the unintended consequence may be more significant than the intended outcome.

Examples of population movements, many involving millions of people, as the aftermath of political decisions include the partition of the South Asian subcontinent into two nations, India and Pakistan, the Soviet invasion of

Afghanistan, and the civil wars in Central America. Economic decisions that have generated migration include irrigation of previously arid land in California, resulting in recruitment of migrant farm workers from Mexico, and the large-scale recruitment of foreign workers because of domestic labour shortages in Western Europe in the 1950s and 1960s. The inability to solve domestically the problem of full-time employment for seasonal agricultural labour stimulates the recruitment of foreign workers. The need for cheap labour to keep some clothing and electronic plants working on the U.S. side of the border sets up an incentive to recruit relatively cheap Mexican labour. An example of domestic economic actions is the Mexican policy that subsidised the price of capital goods, thereby penalising the use of labour, and so stimulating emigration. The list could be extended indefinitely.

A systems approach to migration issues would seek to make explicit the migration outcome of unrelated decisions. The reverse is also relevant; migration decisions will have important consequences on other political, economic and social issues. If the United States were successful in curtailing clandestine immigration from Mexico, it is hard to determine in advance what all the consequences might be in Mexico and the United States. The following are illustrative possibilities: closing an escape valve could stimulate unrest in Mexico; labour costs in activities in the United States using clandestine workers could rise because of lower supply; certain activities now carried out in the United States might collapse or be exported; Mexico might even be compensated by increased jobs at home due to production transfers from the United States to Mexico.

None of these outcomes is a foregone conclusion. What is certain is that there would be unintended consequences, many of great importance. The plea of some writers who view the migration issue as part of international interdependence is for policy-makers to be sensitive to the potential migration consequences of other policies and the reverse, the non-migration results of migration decisions [McCarthy and Ronfeldt (1982)]. Those who advocate increased foreign aid and trade liberalisation by developed countries as the long-term solution to emigration pressures are using a systems approach, sometimes explicitly.

What is being said is straightforward. The policy challenge is to include these side-effects in the decision-making calculus, seeking to assign to them their proper weight. This is often done when trade decisions are made, largely because of the observed and catastrophic consequences of failure to do so during the Depression of the 1930s. It is rarely done for migration issues, despite the mention of migration when the CBI was proposed.

The foregoing discussion has focused more on the United States than on other immigrant-receiving countries. There are similarities in general principles dealing with the migration-economic relationships, but there are differences of fact stemming from historical experience and geography, and in policies. Even though the United States has been described as having changed from a country which is "becoming" to one in "being" [McCarthy and Ronfeldt (1982, p. 5)], it remains more open to legal, permanent immigration than Western Europe and Japan and is more accessible to clandestine immigrants than most other industrial countries. The differences should not be overstated, however, as is evident from the paper by Gildas Simon in this book. The statistical analysis which follows will deal with the U.S.-Mexican relationship.

III. SOME EMPIRICAL EVIDENCE: THE CASE OF U.S.-MEXICAN MIGRATION

Translating thoughts on economic interdependence and migration into empirical terms is fraught with difficulties. First, much of the economic theory of international migration does not lend itself unambiguously to formal modelling: capturing concepts of "trade restrictions" or "short run" versus "long run", for example, is not a straightforward matter in econometric modelling. Second, the data are rarely available in the detail, extent and form required for anything more than a very superficial statistical analysis. It is not an easy matter to determine how basic theoretical constructs such as "economic migrant" can be measured empirically. Even conventions for reporting basic macro-economic indicators change over time. In this section we summarise the results of seven econometric models that were estimated to explore the statistical power that various macro-economic indicators have in explaining the "push" of migrants out of Mexico and the "pull" that the U.S. economy exerts on these migrants.

Statistical considerations

In order to understand what the available data can tell us about the relationship between the flow of migrants across the U.S.-Mexico border and the economic forces that bind these two countries, it is important to appreciate some of the fundamental statistical problems. These include conceptual problems of definition and practical problems of measurement.

One of the most difficult issues in modelling the migratory relationships between the U.S. and Mexico concerns the definition and measurement of the "dependent variable", the factor we are attempting to explain. The theory indicates that economic migration is a response to "push factors" in sending countries and "pull factors" in receiving countries, but what is precisely meant by the term "economic migration"? Macroeconomic indicators may explain: i) the level (or stock) of economic migrants from Mexico in the U.S., ii) the flow of migrants entering within a given period of time, or iii) the change in the flow over the previous period. The analyses below focus exclusively on explaining the annual flow of migrants and on the (first-difference) change in this flow.

Since many economic migrants in the U.S. are undocumented, it is difficult to measure their flow across the border accurately. These measurement problems associated with the dependent variable are matched with others associated with the explanatory variables. The role of institutions, public policies, and the linkages that the U.S. and Mexican economies have with the rest of the world, for example, are by their very natures nearly impossible to specify empirically.

Finally, a substantial, relevant time series of data relating to U.S.-Mexican economic migration is simply not available. The structural changes in the two economies and the linkages that tie them together have changed significantly in the last forty years. Consequently only a few decades of annual data can be brought to bear on a statistical model of migratory flows.

The data we have collected to explain annual economic migration are either pull factors associated with the U.S. or push factors associated with Mexico. The pull factors include: U.S. farm wages, U.S. non-agricultural wages, U.S. service income, and the number of jobs created in the U.S. The push factors include: an index of Mexican salaries, the number of jobs created in Mexico, Mexican gross domestic product, Mexican net exports excluding petroleum, an index of border transactions, long-term capital inflows from the balance of payments accounts, Mexican foreign debt, and foreign direct investment in Mexico. Appendix 1 provides more detail on the nature and sources of each of these variables.

In the analyses presented below, we make the following, necessarily simplifying assumptions in translating theory into testable models:

-- The variation in sum of legal migrants and apprehended aliens is a reasonable proxy for the variation in the number of economic migrants entering the United States from Mexico. For purposes of testing the impact of macro-economic factors on migration we are interested only in the variation in the true (unobserved) number of annual migrants and not in their numbers (1). This assumption also implies that we are focusing on gross migration (Mexico to U.S.) rather than net migration (net of U.S. citizens migrating to Mexico for economic reasons and Mexicans returning home). Mexicans do return home in large numbers, but the relationships are not distorted if return ratios are reasonably stable over time.

-- The structural relationships that exist among the explanatory variables and the number of economic migrants crossing into the United States have remained essentially unchanged over the period 1955-1983. This implies, among other things, that the changes that have taken place in the Mexican economy have been essentially changes in degree rather than in the fundamental structure of the economy affecting economic migration.

-- The micro-economic conditions and behavioural characteristics that lead people to migrate across international borders lend themselves to aggregation and measurement by macro-economic indicators such as the ones employed in the regression models below.

Explaining economic migration

Three sets of "push only" and "pull only" specifications (Model 1 through Model 6) and one "joint push/pull" model (Model 7) were estimated in order to examine the relationship between macro-economic indicators and Mexican migration to the U.S. Figure 3 summarises the relationship among Models 1 through 6. The first of the three sets is based on models that explain the number of legal plus apprehended undocumented immigrants (the dependent variable) as a function of the nominal level of the various explanatory factors. The second set explains this same dependent variable as a function of the real level of the same independent variables. The final set, first-difference specifications, considers the annual change in the flow of economic migrants in terms of changes (first differences) in the real level of the explanatory variables. The joint push/pull model explains the annual change in the flow of migrants in terms of the levels of all of the explanatory variables expressed in real dollars (where relevant). Although the comprehensiveness of Model 7 renders it more appealing than the individual push and pull models, its statistical power is limited by the large number of factors it employs to explain migration.

Figure 1

	Level of migration explained by level of dependent variable	Change in level of migration explained by change in dependent variable
Variables in nominal terms	Model 1 Model 2	
Variables in real terms	Model 3 Model 4	Model 5 Model 6

The multi-model approach taken here is motivated by the inadequacy of the data and, to some extent, by indeterminacy in the theory. To summarise the findings from these seven econometric models, Table 1 arrays the theoretical directions of influence that the various macro-economic indicators are expected to have on the selected measures of migration along with the directions of influence estimated for each of the models. Table 1 does not consider the statistical significance of the estimated directions of influence, only the direction itself. Table 2 differs from Table 1 in that it considers only directions of influence that are significant according to the conventional statistical criterion of 95 per cent confidence (non-significant factors are denoted with a "." instead of a "+" or "-").

In terms of the direction of estimated influence alone (Table 1), the macro-economic factors in most consistent agreement with the expected directions of influence on migration are Mexican job creation, Mexican GDP, Mexican foreign debt, and U.S. job creation. In terms of the significance of the estimated influence (Table 2), only the pull factors of U.S. job creation and, to a lesser extent U.S. farm wages, command attention (although U.S. farm wages evidences a 50 per cent agreement with the theoretical sign, Model 5 generated a result that was significantly in the opposite direction to the theory). Each of these regressions is treated in more detail in Appendix 2.

Table 1

EMPIRICAL AND THEORETICAL DIRECTIONS OF INFLUENCE OF MACRO-ECONOMIC FACTORS ON THE FLOW OF MEXICAN MIGRANTS TO THE U.S.

(Significance of coefficients not taken into account)

Explanatory variable	Expected direction of influence	Sign as estimated in the seven models: 1	2	3	4	5	6	7
PUSH:								
Mexican salary index	-		+		-		-	+
Mexican job creation	-		-		-		-	-
Mexican GDP	-		-		-		+	-
Net exports excl. petrol	-		+		+		+	-
Long-term capital inflow	-		+		+		+	-
Foreign debt	+		+		+		+	+
Foreign direct investment	-		+		+		-	-
PULL:								
U.S. farm wages	+	+		+		-		-
U.S. non-agricultural wages	+	-		+		-		+
U.S. service income	+	-		-		-		-
U.S. job creation	+	+		+		+		-

Explanation:

Model 1: Pull model in nominal terms (Table 1 in Appendix 2).
Model 2: Push model in nominal terms (Table 2 in Appendix 2).
Model 3: Pull model in real terms (Table 3 in Appendix 2).
Model 4: Push model in real terms (Table 4 in Appendix 2).
Model 5: Pull model in real first-differenced terms (Table 5 in Appendix 2).
Model 6: Push model in real first-differenced terms (Table 6 in Appendix 2).
Model 7: Omnibus push/pull specification; dependent variable in first-difference terms, explanatory variables in real terms (Table 7 in Appendix 3).

+ = positive coefficient.
- = negative coefficient.
blank = variable not included in model.

Source: Banco de Mexico, Informe Anual.

Table 2

EMPIRICAL AND THEORETICAL DIRECTIONS OF INFLUENCE OF MACRO-ECONOMIC FACTORS ON THE FLOW OF MEXICAN MIGRANTS TO THE U.S.

(Only statistically significant coefficients considered)

Explanatory variable	Expected direction of influence	Significant sign in the seven models: 1	2	3	4	5	6	7
PUSH:								
Mexican salary index	-		.		.		-	.
Mexican job creation	-		.		.		.	.
Mexican GDP	-		.		.		+	.
Net exports excl. petrol	-		+		+		.	.
Long-term capital inflow	-		+		+		.	.
Foreign debt	+		.		.		+	.
Foreign direct investment	-		+		+		-	.
PULL:								
U.S. non-agricultural wages	+	.		+		.		+
U.S. farm wages	+	+		+		-		.
U.S. service income	+	.		-		-		.
U.S. job creation	+	+		+		+		.

Explanation:

Model 1: Pull model in nominal terms (Table 1 in Appendix 2).
Model 2: Push model in nominal terms (Table 2 in Appendix 2).
Model 3: Pull model in real terms (Table 3 in Appendix 2).
Model 4: Push model in real terms (Table 4 in Appendix 2).
Model 5: Pull model in real first-differenced terms (Table 5 in Appendix 2).
Model 6: Push model in real first-differenced terms (Table 6 in Appendix 2).
Model 7: Omnibus push/pull specification; dependent variable in first-difference terms, explanatory variables in real terms (Table 7 in Appendix 3).

+ = coefficient significantly positive at 95 per cent confidence.
- = coefficient significantly negative at 95 per cent confidence.
. = coefficient not significant at 95 per cent.
blank = variable not included in model.

Source: Banco de Mexico, Informe Anual.

The results of these modelling efforts should be interpreted at least as cautiously as the data themselves. With this caveat in mind, one observation suggests itself. The signs of the estimated influences for the push factors in the complete push/pull model (Model 7) are more consistent with a priori notions than are the signs for the pull factors in that model. This would be consistent with the idea that Mexican migration to the U.S. is more responsive to the state of the Mexican economy than it is to the state of the U.S. economy. None of these push coefficients, however, is statistically significant in Model 7, possibly because the available data are so sparse. The data also did not support the hypotheses that push factors collectively or pull factors collectively were statistically distinguishable from zero.

IV. LOOKING AHEAD

The results of this econometric modelling are suggestive, not conclusive. The paucity of a large set of reliable, relevant data at an appropriate level of detail makes it impossible to develop and test formal econometric models of Mexican migration to the U.S. that are much more sophisticated than these. Some assumptions regarding future immigration policy can nevertheless be made with much assuredness. These are: the tendency in immigrant-receiving countries will be toward restriction, not counter-balanced by greater liberalisation in other countries; pressures for emigration from sending countries will continue mostly unabated in the short run (say, for the rest of this century); and receiving countries will deal with immigration issues primarily from a national viewpoint, with at best marginal or, more likely, no regard for the systemic consequences of their actions. These assumptions were reinforced in other papers in this collection and in the discussion at the conference. It would be refreshing to be proven wrong in any or all of these assumptions.

Each of the foregoing assumptions deals directly with migration. Related assumptions about the economic context in which migration takes place are more speculative. One set of assumptions that can be the basis for speculation about future migration is the following:

-- There will be a successful round of trade negotiations leading to substantial liberalisation of tariff and nontariff barriers for industrial and agricultural products and for services.

-- Developing migrant-sending countries will ease most restrictions on the inflow of foreign direct investment as a counter-weight to the paucity of capital inflows from commercial banking sources, foreign aid and migrant remittances.

-- Debt problems of developing countries will ease from some combination of lower international interest rates, greater exports of goods and services, and greater domestic inflation and currency depreciations of the creditor countries.

These worldwide assumptions were chosen in order to set forth optimal international economic conditions under which migration takes place. They are consistent with the formal assumptions we use below to project Mexican migration to the United States to the year 2000. The assumptions will later be altered in the interest of greater realism.

Under the foregoing assumptions, one would expect some return to the international economic conditions which prevailed in most of the period after World War II until the first oil shock of 1973-74. In this milieu, the advanced developing countries (that is, those developing countries which participate most in world trade and which are also the most important debtor countries) could return to growth paths of earlier decades. By the same token, the developed, immigrant-receiving countries could experience growth rates similar to those before the first oil shock. Such a scenario has its economic anomalies: it presupposes the continued acceptance by developed countries of large trade and current account deficits in order to facilitate the debt-servicing capacity of debtor countries; and by eschewing future guest-worker programmes it does not take into account possible labour shortages in the developed countries stemming from rapid growth. The scenario, nevertheless, serves as a benchmark for speculation.

One can look back to the period before 1974 as a basis for this speculation. Emigration pressures were then high in many advanced developing countries despite substantial economic growth. Emigration was facilitated in Western Europe by the contractual importation of labour from Southern Europe and North Africa, and it was facilitated in the United States by the mostly clandestine importation of labour from Mexico and other countries in the Caribbean Basin. One must point out, however, that emigration pressures abated in many countries in Southeast and Northeast Asia. There was substantial migration among developing countries throughout this period, particularly to oil-rich countries in the Middle East (this issue is discussed by Simon in Part III).

On balance, despite the optimistic economic assumptions, it is hard to predict a significant lessening of pressure to emigrate to the United States from the countries that typically send migrants to it, or to Western Europe from most of the countries that send migrants to it. One reason for this is that the economic foreign policies of receiving countries are apt to have only a small effect in abating emigration pressures in sending countries in the short term [Weintraub (1983, pp. 185-214); Morrison (1982, pp. 4-26)]. Another reason is the growth in population and labour-market entrants in sending countries (this issue is discussed by Golini in Part I). This optimistic scenario could have favourable longer-term effects on migration as evidenced by the easing of emigration pressures in the economically successful countries of Asia.

The foregoing assumptions deal only with international economic policy. Another set of assumptions about internal economic policies of sending countries are needed to make the picture more complete. There may be some basis here for optimism. Faced by crushing pressures on their balance of payments because of the need to make interest payments on foreign debts, many of the major sending countries are altering economic policies to rectify relative prices. These include exchange-rate alignments, increasing real interest rates from negative to positive, eliminating or reducing subsidies on a variety of goods and services, particularly those provided by state-owned enterprises, and paying great heed to the implicit subsidy of capital goods which would penalise the use of labour. Mexico has embarked on such a programme, as has Turkey. Whatever the durability of the Mexican stabilisation programme (and there are major questions in this respect), this change in domestic economic policy cannot affect the demographic pressures pushing emigration for the rest of this century. The changes are unlikely to be able to double job creation over this time, which would be necessary to make a radical alteration in emigration pressures stemming from the economic situation.

The pressure for emigration to the United States does not come solely from the advanced developing countries that participate heavily in world trade. It comes also from less-advanced countries in the Caribbean Basin. One would have to make a separate series of assumptions about their greater participation in world trade and investment than has heretofore been true in order to place them on a par with the more advanced developing countries. The same points can be made about the less-advanced developing countries which send migrants to Western Europe. The CBI and Lomé agreements are directed largely toward such countries. Given past experience, a lessening of emigration pressure in these countries cannot be predicted even under the most ideal international economic circumstances. Indeed, if one assumes that modest increases in income from greater employment at home have short-term stimulative effects on emigration, then the short-term result will be an increase in emigration pressures.

As indicated earlier, the evidence on the relationship between increased incomes and emigration is not symmetrical. Modestly increased incomes may lead to modestly increased emigration and lower incomes may lead to even greater emigration. That, at least, has been the experience of Mexican emigration to the United States, to the extent that the data permit confident evaluations, as well as for emigration from other countries in the Caribbean Basin.

The international economic assumptions can be made somewhat less optimistic in the interest of realism. It is unlikely that the United States can or will tolerate indefinitely trade and current account deficits of the current magnitude. If debtor countries are to grow out of their problems, which is the advice they are being given by international bankers, a reduction of the U.S. deficits implies growing trade deficits by other developed countries, and this is unlikely in the necessary magnitudes. It is also unlikely that the pressures in the developed countries for protection against imports of precisely the products in which developing countries have demonstrated a comparative advantage can be quickly dissipated, even with another round of trade negotiations. If post-war experience is any guide, one should not expect an easing of pressure for protection against such products as textiles, apparel, leather goods, steel, and sugar. If trade in services is liberalised, the major beneficiaries are unlikely to be the developing migrant-sending countries but rather the developed migrant-receiving countries. This may ease pressure on the merchandise trade account in some developed countries, but is unlikely to have any immediate effect on incomes and employment in developing countries.

If trade restrictions are high against products of emigration countries and immigration is simultaneously curtailed in most receiving countries, the demographic pressures noted in this and other papers will lead almost inexorably to greater clandestine migration. This will affect Europe (in both traditional and new receiving countries), North America, and Australia. This is the implication of looking at emigration as a world system phenomenon and not in isolation.

The conclusion from this speculation is that while the optimistic assumptions made above might well be ideal in terms of world welfare and could be decisive in the long term in dampening emigration pressures, one should not expect any dramatic changes in emigration pressures in the short term, even if they are accurate. If the assumptions made are less idealistic, this would make a marginal difference in emigration outcomes over the short term and a significant difference in increasing emigration pressures over the long term.

One additional thought should be developed. The assumption was made at the outset of this section, and given with some assuredness, that the tendency to close further doors to immigration would continue. If the optimistic economic assumptions turn out to be accurate, might not the pressure on labour markets in developed countries lead to a resumption of contract-worker programmes? There are two opposing pressures in the current situation in the United States. One is the effort to limit clandestine immigration by penalties on employers who knowingly hire undocumented aliens, and the second is to ease entry for temporary workers for seasonal work in agriculture. If Western Europe were to experience a recrudescence in the latter 1980s and the 1990s of growth rates typical of the 1960s, might not labour shortages once again lead to a recruitment of "temporary" workers? The contradictory posture in the United States is the result of opposing pressures, of the dominant pressure to restrict and the secondary pressure to cater to a powerful economic interest. There are undoubtedly similar pressures in other developed countries, not only for agriculture, but also for industrial and service activities. The assumption made here is that the U.S. contradiction, to both include and exclude temporary workers, is peculiar to the U.S. situation, and that Western Europeans, of this generation at least, are unlikely to return to vast temporary worker programmes.

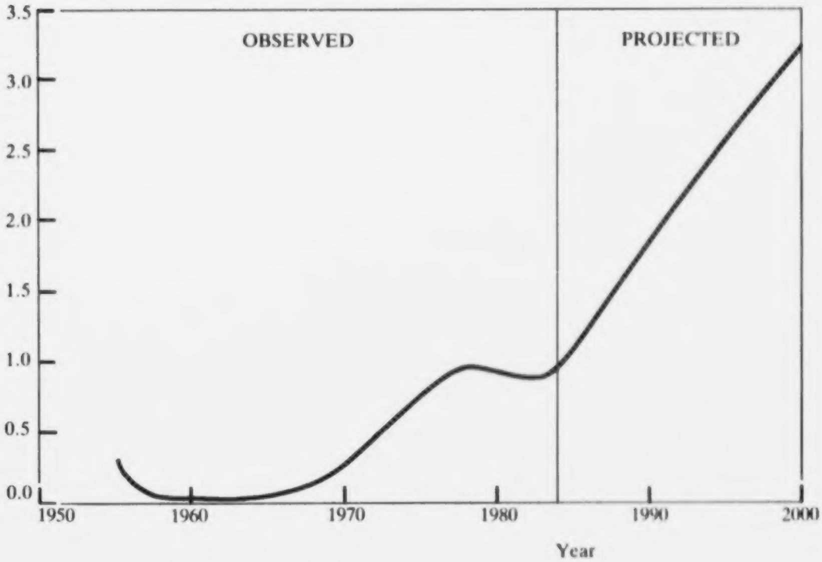
The econometric modelling of the previous section can be turned to forecasting the migratory patterns we could expect to occur between Mexico and the United States from 1984 through the year 2000. By furnishing the joint push/pull specification (Model 7) with extrapolations of the explanatory variables that are based on the assumptions outlined at the beginning of this section, we can construct projections for our index of migratory flow. Figure 2 displays the observed and forecast levels of legal immigrants plus those apprehended without documents from 1955 through the year 2000. Although the projection from 1984 onward appears linear, it is in fact the product of a set of forces moving in various directions (2).

According to the model and the assumptions, Mexican migration is going to increase at a rate similar to that experienced in the period 1969-78. By the year 2000, our index for the number of Mexicans entering the U.S. is projected to more than triple, from almost 900 000 in 1983 to over three million by the turn of the century. Applying the rule-of-thumb that this proxy dependent variable captures half the actual unobserved level of migration leads us to conclude that migration by the end of the century will be approximately six million persons a year, around 5 per cent of Mexico's projected population of 115 million. (Our dependent variable measures only the gross inflow of Mexicans to the U.S.; naturally, many of these migrants return to Mexico.)

These projections are tightly bound to historical patterns which may never recur. They also omit U.S. policy actions to prevent an inflow of this

Figure 2

MEXICAN LEGAL AND APPREHENDED MIGRATION TO THE U.S. (Millions)



magnitude. The actual projections of the model are almost certain to be imprecise, but the expected increase in Mexican migration, and its magnitude, are more solid.

The two major conclusions from this exercise in economic speculation and formal modelling are the following:

i) It is unwise to anticipate a significant easing of emigration pressure for at least the remainder of this century, regardless of the international economic setting.

ii) The more favourable the setting, the more likely it is that emigration pressures will ease in the longer-term in advanced developing countries. The pressures would then arise more strongly in less-advanced developing countries.

NOTES

1. The U.S. Immigration and Naturalization Service unofficially multiplies the number of apprehensions by a factor of two to estimate the number of undocumented aliens who cross the border. The estimate (as well as our assumption of common variance) is plagued by a host of problems, including the double-counting of individuals who, once apprehended and released, simply try again until they successfully cross the border.

2. Details of the forecasting assumptions are outlined in Appendix 2.

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Appendix 1

THE DATABASE

Variables included in the empirical analyses

The data used in the empirical study of Section III derive from multiple sources and, although carefully screened and corrected, only imperfectly capture the forces driving U.S.-Mexican migration. To better appreciate some of the qualifications that have to be made in interpreting the results of that section, we outline below the specific sources for the key variables used in the regression models and comment on any special features they may exhibit.

U.S. data

The dependent variable, total apprehensions plus legal migrants, is a proxy for total net migration to the United States from Mexico. The figures are based on data published annually by the U.S. Immigration and Naturalization Service on the number of apprehensions and deportations of illegal Mexican entrants and the total number of legal immigrants [U.S. Department of Justice, Annual Report of the Immigration and Naturalization Service, Washington, D.C.]. The latter constitute a small fraction of the number of apprehensions and represent only a tiny trickle compared to the true, unobserved number of Mexicans entering the U.S. Construction of a consistent time series of these data is hampered by the fact that definitions have changed over time. The most important change over time, however, occurred in the early to mid-1950s when the "Bracero" temporary worker programme was flourishing. It is largely because of this discontinuity in the data series that we limited our analyses to the period 1955 to 1982.

Farm wages data ultimately derive from the U.S. Department of Agriculture's figures on U.S. mean hourly wages for hired farm workers [Historical Statistics, Washington, D.C.]. However, in order to construct a consistent series of data, we supplemented these data with calculations published by the International Labor Office [Yearbook of Labour Statistics, Geneva].

Non-agricultural wages represent average gross hourly earnings in selected non-agricultural industries and are provided by the U.S. Bureau of Labor Statistics. The BLS is also the source for U.S. job creation data, which were constructed by calculating the growth in civilian employment [Labor Force Statistics derived from the Current Population Survey: A Databook, 2 vols., Washington D.C., 1982]. Service income refers to the average U.S. annual income in service industries compiled from another BLS publication [Employment and Earnings, United States, 1909-78, Washington D.C., 1983].

Average annual service income data for the later years were not directly available; consequently, we constructed these data by using average U.S. gross earnings in service industries as an instrumental variable (correlation over 99 per cent) for the years 1979-83 [U.S. Department of Commerce, Bureau of Economic Analysis, Survey of Current Business, Washington D.C.]

Mexican data

Mexican data that we used relating to the balance of payments and the external economy, all of which are denominated in dollars, are based on figures published annually by the Banco de Mexico [Informe Anual, Mexico, D.F.]. The term "net" in the variable net exports refers both to the fact that the figures are net of imports and to the fact that the figures do not include the value of petroleum exports. The variable border transactions, although included in the balance of payments reported by the Banco de Mexico for many years, has undergone several changes in definition. We have endeavoured to construct a data series that is as consistent as possible under these circumstances. In the later annual reports used in this study, border transactions refer to net movements of cash in the franja fronteriza, the delimited border region of northern Mexico.

Figures on long-term capital come directly from the net public plus private long-term capital accounts in the Mexican balance of payments as reported by the Banco de Mexico. Foreign direct investment data are also based on the published balance of payments account. Since the balance of payment figures are regularly revised in light of new information, there are often conflicts in determining which precise figure to use. Again, we strove for consistency and used the initial revisions unless only provisional data were available. There were several instances in which smoothing and interpolative techniques using instrumental variables were used to fill gaps in these data series.

One important indication of the margin of error in these balance of payments figures is the size of the line item "errors and omissions". Errors and omissions for 1982 (-$8 418.6 million) were almost exactly the same magnitude as the entire capital account ($8 630.9 million).

The time series for foreign debt is based on information from the International Development Bank [Economic and Social Progress in Latin America: The External Sector, Washington D.C., 1982]. These data were extended based on information from the Banco de Mexico.

Finally, much of the data on Mexican salaries, Mexican Job Creation, and Mexican GDP come from the DIEMEX-Wharton econometric model [Abel Beltran del Rio, DIEMEX-Wharton: Perspectivas Economicas de Mexico, Philadelphia: Wharton Econometric Forecasting Associates, November 1984].

1960 was taken as a base year in converting Mexican data from current pesos to real pesos, while 1977 was taken as the base year for converting all current dollars to real dollars (for U.S. data as well as those Mexican data denominated in dollars). Specific types of deflators were applied as appropriate to the various data series.

Appendix 2

THE ECONOMETRIC MODELS

Estimations for 1955-83

The following tables (Tables A.1 through A.7) provide more detailed information on the regressions that are referred to in Section III. Since the level of the basic dependent variable (the number of legal plus apprehended Mexican migrants entering the United States) is only assumed to have a linear relationship with the true, unobserved number of migrants, the actual estimated coefficients for these models are not interpretable. It is for this reason that only the signs and t-statistics for these coefficient estimates are shown in the tables.

Table A.1

THE PULL OF MIGRANTS TO THE UNITED STATES: U.S. VARIABLES IN NOMINAL TERMS

Explanatory variable	t-statistic	Expected sign
Farm wages	2.55 *	+
Non-agricultural wages	-0.98	+
Service income	-0.21	+
U.S. job creation	2.72 *	+

Dependent variable: Legal plus apprehended Mexican migration to the U.S.
R-squared goodness of fit: 94%.
Number of observations: 29.
* Significant at 95% level.

Table A.2

THE PUSH OF MIGRANTS OUT OF MEXICO: MEXICAN VARIABLES IN NOMINAL TERMS

Explanatory variable	t-statistic	Expected sign
Mexican salary index	1.11	-
Mexican job creation	-0.07	-
Mexican GDP	-1.36	-
Net exports excl. petroleum	3.80 *	-
Border transactions	1.17	uncertain
Long-term capital account	2.21 *	-
Foreign debt	1.20	+
Foreign direct investment	3.22 *	-

Dependent variable: Legal plus apprehended Mexican migration to the U.S.
R-squared goodness of fit: 95%.
Number of observations: 29.
* Significant at 95% level.

Table A.3

THE PULL OF MIGRANTS TO THE UNITED STATES: U.S. VARIABLES IN REAL TERMS

Explanatory variable	t-statistic	Expected sign
Real farm wages	2.40 *	+
Real non-agricultural wages	3.42 *	+
Real service income	-14.23 *	+
U.S. job creation	2.64 *	+

Dependent variable: Legal plus apprehended Mexican migration to the U.S.
R-squared goodness of fit: 97%.
Number of observations: 29.
* Significant at 95% level.

Table A.4

THE PUSH OF MIGRANTS OUT OF MEXICO: MEXICAN VARIABLES IN REAL TERMS

Explanatory variable	t-statistic	Expected sign
Real Mexican salaries	-0.49	-
Mexican job creation	-0.18	±
Real Mexican GDP	-0.66	-
Real net exports excl. petroleum	3.08 *	-
Real border transactions	-0.54	uncertain
Real long-term capital account	2.55 *	-
Real foreign debt	0.98	+
Real foreign direct investment	2.16 *	-

Dependent variable: Legal plus apprehended Mexican migration to the U.S.
R-squared goodness of fit: 94%.
Number of observations: 29.
* Significant at 95% level.

Table A.5

THE PULL OF MIGRANTS TO THE UNITED STATES: U.S.VARIABLES IN REAL FIRST-DIFFERENCE TERMS

Explanatory variable	t-statistic	Expected sign
Real change in farm wages	-2.77 *	+
Real change in non-agricultural wages	-0.60	+
Real change in service income	-3.79 *	+
Change in U.S. job creation	4.34 *	+

Dependent variable: Annual change in legal plus apprehended Mexican migration to the U.S.
R-squared goodness of fit: 71%.
Number of observations: 28.
* Significant at 95% level.

Table A.6

THE PUSH OF MIGRANTS OUT OF MEXICO: MEXICAN VARIABLES IN REAL FIRST-DIFFERENCE TERMS

Explanatory variable	t-statistic	Expected sign
Real change in Mexican salaries	-3.27 *	-
Change in Mexican job creation	-0.44	-
Change in real Mexican GDP	3.44 *	-
Real change in net exports excl. petroleum	1.03	-
Real change in border transactions	-4.21 *	uncertain
Real change in long-term capital account	0.07	-
Real change in foreign debt	4.85 *	+
Real change in foreign direct investment	-0.82 *	-

Dependent variable: Annual change in legal plus apprehended Mexican migration to the U.S.
R-squared goodness of fit: 83%.
Number of observations: 28.
* Significant at 95% level.

Table A.7

JOINT PUSH/PULL SPECIFICATION: U.S. AND MEXICAN VARIABLES IN REAL TERMS

Explanatory variable	t-statistics	Expected sign
PUSH:		
Mexican salary index	1.26	-
Mexican job creation	-0.63	+
Mexican GDP	-1.43	-
Net exports excl. petroleum	-0.29	-
Long-term capital account	-0.27	-
Foreign debt	0.82	+
Foreign direct investment	-0.35	-
PULL:		
U.S. non-agricultural wages	2.92*	+
U.S. farm wages	-1.04	+
U.S. service income	-0.92	+
U.S. job creation	-2.02	+

Dependent variable: Annual change in legal plus apprehended Mexican migration to the U.S.
R-squared goodness of fit: 89%.
Number of observations: 28.
* Significant at 95% level.

One shortcoming of all of these models is the fact that most of the explanatory variables are highly correlated with each other, which contributes to the difficulty of establishing statistical significance to any one of them individually, although it should not damage model forecasts.

In addition to these problems, we have found that the statistical significance of the coefficients is extremely sensitive to the sample. The exclusion of one or two data points often throws the results awry, rendering variables significant and insignificant where they were not before. Data tending to exert the most influence on the results are those from the later years. The power of these observations to alter the significance of the explanatory variables is true even when these variables are expressed in real or first-differenced terms.

Finally, the specifications are too coarse to permit a separation of short-run from long-run effects and lagged from immediate effects. Incorporating lagged terms in the models would only begin to help unravel these effects; conceptual problems aside, the size of the available data series simply does not allow this kind of statistical exploration.

Forecasting Mexican migration to the United States: 1984-2000

The coefficients estimated with Model 7 in Section III were applied to seventeen-year extrapolations of the eleven explanatory variables to generate forecasts for the years 1984 through 2000 of the annual change in Mexican migration to the United States. These projections of annual change are cumulated annually starting with the observed number of legal and apprehended migration in 1983 to produce the projected series. The model forecasts are based on the assumption that historical relationships among the explanatory and dependent variables will continue in the future. The extrapolations of the explanatory variables are made along the general lines outlined at the beginning of Section IV: tariff barriers will be liberalised, restrictions on foreign direct investment in migrant-sending countries will be relaxed, and debt problems will attenuate.

Specifically, real Mexican salaries are assumed to remain constant at their historical 1976-82 levels. Mexican job creation is assumed to continue at 1963-83 rates (ignoring the oil-boom years 1974-77). Real Mexican GDP had been growing at a fairly constant rate up until 1982. For our purposes, we assume real Mexican GDP will increase gradually, although at a diminishing rate. The value of real net exports (again, not including petroleum) declined gradually, although significantly, over the historical period, experiencing a precipitous drop from 1978-81 and an equally steep increase in 1982-83. We assume that real net exports will grow at a diminishing rate and flatten out near zero. Real foreign debt is assumed to grow as rapidly at first (1984-87) as it had for the years 1973-83 (almost $3 billion a year) and then diminish by 80 per cent of this difference until the year 2000. Real long-term capital and real foreign direct investment are both assumed to remain constant at the average of their 1982-83 rates.

On the U.S. side, real farm wages are assumed to continue to fall, as they have since 1978, by $0.08 per year at first and then by 90 per cent of the previous year's decline until the turn of the century. Real average annual service income has been in decline since around 1970. We assume that this decline will continue, although at a diminishing rate. Real non-agricultural wages and the number of U.S. jobs created are both assumed to remain constant at their 1983 rates.

All of the explanatory variables were expressed in real terms (1977 U.S. dollars), with the obvious exception of the variables for job creation.

Part II

RESIDENT POPULATIONS OF MIGRANT ORIGIN

THE LABOUR MARKET POSITION OF MIGRANTS IN SELECTED EUROPEAN RECEIVING COUNTRIES

Hans Heijke

I. INTRODUCTION

The period of repair and rebuilding after the Second World War was followed in the 1960s by a period of strong economic expansion, which in North-west Europe was marked by the arrival of millions of unskilled workers from the Mediterranean regions. Despite the slowing down of economic growth after the first oil crisis in 1973, the number of Mediterraneans staying in North-west European receiving countries continued to rise. Now that economic growth is re-establishing itself, the migration flow seems to have settled on a course of development largely determined by natural factors.

Apparently, therefore, the volume and direction of the migration flows between Mediterranean and North-west European countries are not governed exclusively by the rhythm of economic growth.

In addition to cyclical factors, structural factors seem to play a role, including:

i) A wide gap in socio-economic development between North-west Europe and the Mediterranean area;

ii) The wide difference in population pressure between these areas;

iii) The mutual economic dependency of the two areas;

iv) The international restructuring of industry, entailing the spatial redistribution of production capacities, as well as accelerated automation and product innovation.

These structures and processes roughly indicate the context in which the problems associated with the establishment of Mediterranean immigrants in North-west Europe can be studied. They also provide the points of reference from which to estimate their labour market position in the near future. In this paper we will not endeavour to paint an overall picture, but rather limit the analysis to a few themes that seem most relevant to the present position of Mediterranean migrants in the labour markets of North-west European receiving countries and the direction which it is tending towards in the near future. Most empirical data used in this analysis refer to France and the Federal Republic of Germany, where most of the migrants reside, and the Netherlands. The themes to be treated are:

i) The framework of socio-economic influences in which migration from the Mediterranean area to North-west Europe occurs;

ii) The length of the Mediterraneans' stay in North-west European countries of destination;

iii) The distribution of Mediterraneans settled in North-west Europe among branches of activity, and the skill level of their work;

iv) Some expectations about the future labour market position of the Mediterraneans settled in North-west Europe.

II. MIGRATION TO NORTH-WEST EUROPE: THE SOCIO-ECONOMIC FIELD OF FORCE

Some socio-economic features of the countries of origin and destination

Migration of labour occurs if certain socio-economic conditions which have a decisive impact on labour supply and demand prevail in the areas of origin and destination. To illustrate the phenomenon, Table 1 shows the socio-economic position of the Mediterranean countries and the countries of North-west Europe between which labour began to migrate in the 1960s. The levels of variables refer to the year 1970, and their growth rates to the period 1968-73. This period has been chosen because the migration process was then in full swing. The countries have been arranged by decreasing level of Gross Domestic Product (GDP) per capita.

GDP per capita was much higher in most of the receiving countries than in the sending countries, implying a far higher level of prosperity in the former. Sweden was clearly at the top, followed at some distance first by Switzerland and the Federal Republic of Germany, then by the other receiving countries. Some sending countries (Turkey, Algeria, Tunisia and Morocco) were very poor, with an income per head of about one-tenth of that in the receiving countries. The gap between the poorest receiving country, Austria, and the richest sending country, Italy, was in fact quite narrow. The growth figures of GDP per head show that differences tended to level out in the course of the study period. Morocco, however, fell even further behind, probably owing to its relatively fast population growth.

The wide differences in prosperity are mirrored in the sectoral composition of employment. In the sending countries, the share of agriculture was much larger and that of services much smaller than in the receiving countries. The shares of the industrial sector in Italy, Spain and -- to a lesser degree -- Portugal are comparable with those in the receiving countries. Bear in mind, however, that the shares given in the table are simply a snapshot. At a certain stage of economic development, the share

Table 1

SOME SOCIO-ECONOMIC CHARACTERISTICS OF THE COUNTRIES OF ORIGIN AND DESTINATION

	1970	Average annual growth percentage 1968-73			Employment shares in percentages 1970			
	GDP per capita (US $) prices	GDP per capita in constant prices	industrial production in constant	population	Total	Agriculture	Industry	Services
Receiving countries								
Sweden	4 085	2.6	4.4	0.6	100	8.2	38.4	53.5
Switzerland	3 349	3.2	-	1.2	100 (*)	8.3	45.6	46.1
Germany	3 055	4.2	5.0	0.6	100	8.6	50.4	40.9
France	2 775	4.9	-	0.8	100	14.1	38.8	47.2
Belgium	2 652	5.3	8.0	0.3	100	4.8	44.7	50.5
Netherlands	2 429	4.0	7.0	1.1	100	7.2	38.9	53.9
Austria	1 945	5.6	7.3	0.4	100 (*)(a)	13.8	41.8	44.4
Sending countries								
Italy	1 875	5.3	5.2	0.7	100	19.3	43.4	37.3
Greece	1 134	7.7	13.0	0.4	100 (*)(a)	40.4	25.6	34.0
Spain	1 089	5.3	10.2	1.1	100	29.2	36.9	33.9
Yugoslavia	-	-	7.7	0.9	100 (*)(a)	44.6	27.1	28.3
Portugal	682	7.9	9.4	-0.1	100	29.9	32.8	37.4
Turkey	360	3.8	8.3	2.6	100 (a)	66.9	12.0	21.1
Algeria	324	-	-	-3.2	100 (+)(a)	50.4	12.7	36.9
Tunisia	382	7.2	8.9	2.0	100	60.1	16.8	23.1
Morocco	251	1.6	6.1	2.3	100 (*)(a)	50.0	15.0	35.0

* 1971
+ 1966
a) Labour force, including unemployed.

Sources: UN, Yearbook of National Accounts Statistics (1980), Vol. II, International tables; UN, Demographic Yearbook (1979); UN, Yearbook of Labour Statistics (1980); ILO, Yearbook of Labour Statistics, various years.

of industry in total employment tends to drop. By 1970, that stage had been reached by all receiving countries except Austria. In the sending countries, on the contrary, the share of industry had not yet reached its maximum, as is clear also from the very fast rise in their industrial production.

There was, then, a sharp difference in economic position between receiving and sending countries. The North-west European countries were highly developed and had already attained the development stage in which the employment share of the service sector is dominant. In these countries, industrial employment was already past its peak, while employment in services was growing fast (1). The Mediterranean countries were economically backward and still at the development stage in which the agricultural or the industrial sector dominates employment. Turkey and the North African countries were the poorest and their populations were growing the fastest; these countries, where agriculture still accounted for the largest share in employment, had just begun to industrialise. The other Mediterranean countries were in better shape in terms of prosperity and population growth, and some were already at the development stage where the industrial sector is predominant.

The differences in socio-economic position and development between North-west Europe and the Mediterranean area gave rise to highly divergent labour market situations: large labour shortages in the former group of countries and large surpluses in the latter. The large shortages in the North-west European countries were the result of fast economic growth and the ensuing strong expansion of employment, especially in the service sector, which was absorbing an ever greater portion of the labour supply. Indeed, so much labour came to be employed in the service sector that the stagnating industrial sector was unable to find replacements for its unskilled manual jobs. Traditionally, the agricultural sector had been the pool from which to recruit industrial manual labour. By that time, however, the number employed in that sector had been reduced to the point where its surpluses could by no means satisfy the shortages in industry.

In the Mediterranean countries, on the other hand, very large numbers were still employed in agriculture. Fast population growth and the introduction of mechanisation and improved methods into agriculture led to progessive labour surplus. In some countries industrialisation had only just begun and was still far from maturity, so that the growth of industrial employment was far from being sufficient to absorb surplus labour from agriculture. High and growing figures of unemployment, either manifest or hidden, were the result.

The spread across Europe

The differences in socio-economic position and development between North-west Europe and the Mediterranean area established the field of force in which the migration flows between the two areas could develop. However, the socio-economic features were not equally strong for all the countries of either area, so the forces did not affect all countries of origin or destination equally. Thus, among the receiving countries, different proportions of Mediterranean migrants in the total population are found, and the proportion of emigrants living elsewhere in Europe is not the same for all sending countries.

Table 2

NUMBER OF MEDITERRANEAN MIGRANTS IN SOME NORTH-WEST EUROPEAN COUNTRIES, 1981

	000s (a)	% of population (b)
Germany	3 457	5.6
France	3 364	6.2
Switzerland	609	9.5
Belgium	562	5.7
Netherlands	312	2.2
Sweden*	116	1.4

* 1980

Sources: a) Netherlands: CBS (1983); Sweden: Grammenos (1982); other: Penninx (1984).
b) Population size: OECD, Labour Force Statistics, 1983 III.

Table 3

ESTIMATED NUMBERS OF EMIGRANTS IN EUROPE FROM SOME MEDITERRANEAN COUNTRIES, 1983

	000s	% of population
Italy	2 327	4.1
Portugal	1 182	12.4
Spain	867	2.3
Turkey	2 108	4.5
Yugoslavia	1 090	4.9

Source: Percentages computed from OECD, Employment Outlook 1985.

Tables 2 and 3 give the percentages observed in the early 1980s. Table 2 refers to some receiving countries, Table 3 to some sending countries. The figures suggest that the number of migrants is very large: Germany and France together have no fewer than seven million Mediterranean migrants. There is a high proportion of Mediterranean migrants in Switzerland (9.5 per cent), while the proportions are low in the Netherlands (2.2 per cent) and Sweden (1.4 per cent). Table 3 indicates that a large proportion of the Portuguese population and a small proportion of the Spanish population live in other European countries; the table does not include the (probably numerous) migrants from Morocco.

Naturally, the differences observed cannot be explained entirely by the workings of the international force field described above. It represents the situation around 1970, when migration was in full swing. Since then, the respective prosperity levels have changed somewhat, but not enough for the two groups of countries to approach each other perceptibly. The labour-market situation in the countries of North-west Europe has changed drastically, however. As a result of the economic recession and the slowness of economic recovery, there are large surpluses of labour, some of them still growing. The employment prospects in most sending countries have deteriorated still further, and consequently return migration to the Mediterranean countries has remained below expectations. Most of those who did go back were from Greece, Italy and Spain, relatively privileged countries within the Mediterranean area. A high proportion of migrants is now unemployed and drawing social benefits.

The migrants who arrived in the 1960s were almost exclusively men; they saved a considerable portion of their income and returned to their country of origin after a few years. Gradually, more and more migrants brought over their wives and children, and their stay became more permanent. In the 1970s and 1980s most Mediterraneans immigrating into North-west European receiving countries were families joining their husbands and fathers. Present numbers of Mediterraneans resident in North-west Europe are thus largely a function of the numbers who arrived there in the past driven by socio-economic forces.

Another factor, besides socio-economic differences and the tendency towards family reunion, which has governed migration flows between the North-west European and Mediterranean countries, is the geographical distance and the cultural gap separating sending and receiving countries. Geographical distances determine how much it costs in time and money to visit family and friends at home, and how well migrants know the receiving country: the further away the country, the less familiar. Cultural distances are understood to mean linguistic and religious differences, and the ensuing communication problems and divergences in orientation, conduct and customs. Similarities in language or religion often indicate past or existing ties between two countries.

By estimating a quantitative model which explains the number of immigrants of a certain nationality in a given receiving country on the basis of the factors mentioned, the relative importance of each factor can be assessed, and in particular whether that number is still governed by the socio-economic field of force, or determined exclusively by such autonomous factors as the number of migrants who arrived in a previous period and the geographical and cultural distances between the countries of origin and destination.

The model to be estimated reads (2):

$$M_{ij} = \alpha_0 \, \Delta W_{ji}^{\alpha_1} \, E_j^{\alpha_2} \, L_i^{\alpha_3} \quad \exp(\alpha_4 g_{ij} + \alpha_5 l_{ij} + \alpha_6 r_{ij}) \qquad [2.1]$$

with $\alpha_0, \alpha_1, \alpha_2, \alpha_3 > 0; \ \alpha_4, \alpha_5, \alpha_6 < 0$

in which:

M_{ij} = number of Mediterraneans of nationality i settled in country j;
ΔR_{ji} = difference in income per head between countries j and i;
E_j = employment in receiving country of destination j;
L_i = potential labour force in sending country i;
g_{ij} = straight-line distance between countries i and j;
l_{ij} = linguistic distance between countries i and j;
r_{ij} = religious distance between countries i and j.

The model will be estimated for the numbers of Mediterranean workers of different nationality who were present in some North-west European receiving countries in 1974 and 1980. In this analysis the year 1974 stands for the period in which the number of migrants present was still largely determined by socio-economic factors, while the 1980 numbers were to a considerable degree the result of such factors as natural growth and family reunion.

The required data are available for seven receiving countries (Austria, France, Germany, Switzerland, Belgium, the Netherlands and Sweden), and nine sending countries (Greece, Italy, Portugal, Spain, Yugoslavia, Turkey, Algeria, Morocco and Tunisia); see Annex A. In principle, 63 observations are available for the cross-section analysis, but the relevant cross-section table of the years under consideration contains 23 empty or incomplete cells, so that for either year there are only 40 observations.

As the measure of income per head we have taken GDP per capita (Table A.2). Employment in the receiving country is taken to be total employment in that country. The potential labour force in the sending country is measured as the population aged between 15 and 65. For geographical distance, straight-line distances between the countries of origin and destination are taken; the distances in kilometres has been divided by the longest distance so that $0 < g_{ij} \leq 1$ (Table A.3). The cultural distances are measured in terms of linguistic and religious differences between groups of countries, to which end the countries of origin and destination have been divided into two or three groups each, and the distances between them established (Tables 4-5).

To calculate the linguistic distances, the receiving countries have been grouped as follows:

- -- France and Belgium, where French is one of the main languages, mostly also spoken in the Flemish provinces as a second language;
- -- Switzerland, where both Romance and Germanic languages are spoken;
- -- Austria, Germany, the Netherlands and Sweden, where Germanic languages are spoken.

The sending countries are grouped as follows:

- -- Algeria, Morocco and Tunisia, where French is an important second language;
- -- Spain, Italy and Portugal, where other Romance languages are spoken;

-- Greece, Turkey and Yugoslavia, where neither Germanic nor Romance languages are spoken.

Table 4

LINGUISTIC DISTANCES

	France Belgium	Switzerland	Austria, Germany Netherlands, Sweden
Algeria, Morocco, Tunisia	0	0.5	1
Spain, Italy Portugal	0.5	0.5	1
Greece, Turkey, Yugoslavia	1	1	1

Next, a variable of linguistic distance (l_{ij}) was constructed, which can assume the values 0, 1/2 or 1, where 0 indicates a minimum distance and 1 a very large distance. The values are assigned as follows:

-- The distance between France and Belgium on the one hand, Algeria, Morocco and Tunisia on the other, is minimal, because French is spoken in both groups of countries ($l_{ij} = 0$). The distance between the former group and Greece, Turkey and Yugoslavia is very large ($l_{ij} = 1$), but between the former and the Romance countries Spain, Italy and Portugal is smaller ($l_{ij} = 1/2$);

-- The distance between Switzerland and the North African countries is not included in the analysis, no immigration details being available. The distance to the group consisting of the Romance countries Spain, Italy and Portugal is not very large, Italian and French being spoken in Switzerland ($l_{ij} = 1/2$). The distance to Greece, Turkey and Yugoslavia is once again at a maximum ($l_{ij} = 1$);

-- The distance to the Germanic countries Austria, Germany, the Netherlands and Sweden is the maximum for all groups of sending countries ($l_{ij} = 1$ in all cases).

The computation of the religious distances (Table 5) required a different division into groups. The receiving countries have been grouped as follows:

-- France, Belgium and Austria as countries where Roman Catholicism is the prevailing religion;

-- The Netherlands, Germany and Switzerland as countries where both Catholicism and Protestantism are major religions;

-- Sweden as a mainly Protestant country.

Table 5

RELIGIOUS DISTANCES

	Catholic (France, Belgium Austria)	Catholic & Protestant (Netherlands, Germany Switzerland)	Protestant (Sweden)
Catholic or "other" (Spain, Italy, Portugal, Greece, Yugoslavia)	0	0.25	0.5
Islamic (Algeria, Morocco, Tunisia, Turkey)	1	1	1

The countries of origin have been divided into two groups:

-- Spain, Italy, Portugal, Greece and Yugoslavia as a group of mainly Catholic countries;

-- Algeria, Morocco, Tunisia and Turkey as Islamic countries.

The religious-distance variable (r_{ij}) was constructed as follows:

-- The distance between Catholic sending countries and Catholic receiving countries is minimum ($r_{ij} = 0$). The distance to the Protestant country Sweden is larger ($r_{ij} = 1/2$). Naturally, the distance between Catholic sending countries and mixed Catholic and Protestant receiving countries lies somewhere in between ($r_{ij} = 1/4$);

-- The distance between Islamic and Catholic countries is as large as that between Islamic and Protestant countries. Moreover, this distance is far greater than that between Catholic and Protestant countries. For the Islamic countries, therefore, the maximum distance ($r_{ij} = 1$) holds in all cases.

The model has been estimated with the help of regression analysis, after being reduced to a straight line by taking the logarithms (3). The estimation results for the year 1974 are:

$$\ln M_{ij} = -26.30 + 1.81 \ln \Delta W_{ji} + 1.48 \ln W_j + 1.10 \ln L_i$$

$$(-3.4) \quad (2.5) \qquad\qquad (7.4) \qquad\qquad (3.8)$$

$$- 1.3.34\ g_{ij} - 1.04\ l_{ij} - 0.42\ r_{ij} \qquad [2.2]$$

$$(-1.2) \qquad\qquad (1.9) \qquad\qquad (-0.7)$$

$\bar{R}^2 = 0.663$, SE = 1.064, t-values in brackets, N = 40.

All coefficients have the expected sign and, except for the geographical and religious distances, are significantly different from zero. The weak results of the geographical and religious distances may be partly due to the correlation between the distance variables distinguished (4). The estimation results can be improved by combining the geographical and religious distances as follows:

$$gr_{ij} = \frac{g_{ij} + r_{ij}}{2} \qquad [2.3]$$

The results are:

$$\ln M_{ij} = -27.96 + 1.89 \ln \Delta W_{ji} + 1.49 \ln E_j + 1.18 \ln L_i - 1.44\ gr_{ij} +$$

$$(-3.9) \quad (2.7) \qquad\qquad (7.6) \qquad\qquad (4.6) \qquad\qquad (-2.0)$$

$$-1.19\ l_{ij}$$

$$(-2.5) \qquad [2.4]$$

$\bar{R}^2 = 0.669$; SE = 1.054; N = 40.

The two distance variables are now significantly different from zero. As the two appear to be correlated and their regression coefficients do not differ significantly, one distance variable might suffice, in the following manner:

$$d_{ij} = \frac{g_{ij} + l_{ij} + r_{ij}}{3} \qquad [2.5]$$

This again improves the estimation result somewhat:

$$\ln M_{ij} = \underset{(-4.06)}{-28.89} + \underset{(3.0)}{2.02} \ln \Delta W_{ji} + \underset{(7.8)}{1.52} \ln E_j + \underset{(4.5)}{1.13} \ln L_i - \underset{(-3.0)}{2.64} d_{ij} \qquad [2.6]$$

$\bar{R}^2 = 0.673$: SE = 1.049; N = 40.

The regression analysis carried out confirms the importance of such socio-economic factors as income discrepancies, job opportunities in the receiving country and the potential labour force in the sending country for the migration flows between the Mediterranean area and North-west Europe. In addition, the volume and direction of these flows appear to be determined as well by the (negative) influence of the geographical and cultural distances between the countries of origin and destination.

In the 1970s, many Mediterranean migrants brought their wives and children to the country where they had settled. In order to increase the family income, a relatively large proportion of the newcomers sought to enter the labour market. The number of Mediterranean migrants present in North West Europe by the end of the 1970s was largely owing, therefore, to the volumes of family reunion and natural increase. This need not imply that socio-economic factors were no longer important in the migration process -- they may indeed have played a part in both return migration and family reunion. Their significance for the numbers of Mediterranean workers settled in North-west European receiving countries by the end of the 1970s could be established by estimating equation [2.1] for 1980 as well. Starting from specification [2.5] of the distance variable, one gets the following result:

$$\ln M_{ij} = \underset{(-4.9)}{-37.80} + \underset{(4.1)}{2.76} \ln \Delta W_{ji} + \underset{(7.2)}{1.31} \ln E_j + \underset{(5.2)}{1.38} \ln L_i - \underset{(-3.2)}{2.76} d_{ij} \qquad [2.7]$$

$\bar{R}^2 = 0.662$; SE = 0.991; N = 40.

This estimation result does not differ significantly from that for 1974.

The extension of family reunion and natural increase will be in a certain quantitative proportion to the numbers of migrants who settled in a previous period. To take that fact into account, the number of migrants present in the past would have to be added to the equation to be estimated, which can be done in a simple way by adding to equation [2.1] the 1974 total of Mediterranean workers in the following manner:

$$M(80)_{ij} = \alpha_0 \; \Delta W_{ji}^{\alpha_1} \; E_j^{\alpha_2} \; L_i^{\alpha_3} \; M(74)_{ij}^{\alpha_7} \; \exp(\alpha_8 d_{ij}) \qquad [2.8]$$

in which $\alpha_7 > 0$. The estimation result of this equation is:

$$\begin{aligned} \ln M(80)_{ij} = {} & \underset{(1.2)}{-3.65} + \underset{(1.9)}{0.47} \ln \Delta W_{ji} - \underset{(-0.9)}{0.09} \ln E_j + \underset{(0.7)}{0.07} \ln L_i + \\ & + \underset{(18.1)}{0.94} \ln M(74)_{ij} - \underset{(0.4)}{0.12}\, d_{ij} \end{aligned} \qquad [2.9]$$

$\bar{R}^2 = 0.967$; SE $= 0.309$; N $= 40$.

The number of Mediterranean migrant workers already settled in the past appears to dominate the number of those present by the end of the 1970s. Moreover, the estimated α_7 appears not to differ significantly from 1. Among the socio-economic factors, only the income discrepancy is significant; the remaining factors no longer seem to play a role. The phenomenon presumably arises from the fact that, during the period under consideration, the distribution of the migrants as well as that of the socio-economic factors across the countries of origin and destination in question have not changed enough to permit the influence of the number of migrants in the past to be separated from that of the present socio-economic field of forces. Nevertheless, the estimation results -- especially the strong correspondence between those of [2.7] and [2.6] and those referring to income differences in [2.9] -- warrant the assumption that the present process of return migration and family reunion is governed by socio-economic factors too.

III. LENGTH OF STAY

Changes in the length of stay

The importance of socio-economic factors for migration can also be derived from a survey taken among Mediterraneans to examine their migration motives. From a study carried out in the Netherlands in the late 1960s, economic motives such as higher wages, saving, getting on in the world and obtaining a job appeared to have dominated the decision to migrate [Nederlandse Stichting voor Statistiek (1971)]. Most migrants set out to earn as much money as possible in a few years, save as much of it as possible and spend it on one or more specific projects in their home country. The estimation is that they saved about half of what they earned [Kayser (1972)]. The savings were spent mostly on improving their housing conditions, in particular on buying, building and repairing their homes in their own country. The sums saved were also used to achieve better livelihood prospects by purchasing a taxi, a lorry, a tractor, a parcel of land or a shop. Once the economic objectives were reached, many returned home to rejoin their families.

The temporary nature of their stay was in keeping with the limited duration of the employment contracts under which "foreign labour" was recruited. These contracts usually ran for one year and could then be extended. After the expiry of his employment contract, a foreign worker might then conclude a new agreement with a different employer, thus laying the basis for a longer stay at a new job. Nevertheless, the expiry of the temporary employment contract was for many Mediterranean workers the signal to return home.

That many immigrants stayed only a short time in the host country is borne out by the ratio between the number of Mediterraneans who returned in a given period and the total number present at the time in the receiving country. Böhning (1984, pp. 144-45) produces the following data for the Federal Republic of Germany: in the period 1961 to 1968, 2.62 million Mediterranean workers lived in Germany of whom 1.74 million returned home, so that, of the total number present in the eight-year period under study, 66 per cent had departed again within that period. The same can be derived from Dutch figures [Heijke (1979b, p.5)]: out of the migrants arriving from Mediterranean countries in 1961, 72 per cent had returned home after five years. The conclusion is that in the 1960s, there was a steadily growing group of Mediterraneans of fast rotating composition.

While most Mediterraneans arrived in North-west Europe intending to stay only for a limited period, they were at the same time highly uncertain as to when they would go back. From the Netherlands investigation of the late 1960s quoted earlier, a percentage varying from 36 (Turks) and 83 (Moroccans) appeared to have no idea when they would go home [Nederlandse Stichting voor Statistiek (1971)]. That same uncertainty still prevails. Shadid, for instance, in his survey among Moroccans living in the Netherlands, found that 55 per cent could not say when they would go home, while only 22 per cent wanted to settle permanently [Shadid (1979, p. 166)]. From a survey among Turks in Germany in 1981-82 it also emerged clearly that most of them in principle wanted their stay to be temporary, but were vague about the exact time of return [Werth (1983, pp. 345-59)]. Among the Turks interviewed, only 3.5 per cent had decided to stay permanently in Germany, while 60 per cent wanted to go back, but had no precise idea as to when.

Obviously, the length of the stay is difficult to forecast. While the Mediterraneans of the older generation are probably still envisaging a temporary stay, its length has been extended in the course of time. From the German data presented by Böhning, 66 per cent of the Mediterraneans employed there in the period 1961-68 had left again within that period, yet in the next eight-year period (1969-76), the percentage had dropped to 49. At least two factors can be mentioned which have contributed to a longer stay, namely: intensified family reunion in the receiving country and the economic recession.

Family reunion

The fact that family reunion did not start until migration had been going on for some time was due among other things to the conditions laid down by the receiving countries. In the Netherlands, foreign workers had to have worked for at least a year and have prospects of work for one more, as well as suitable accommodation, before they were allowed to bring in their families. In other countries, too, there were constraints. In Germany, as in the Netherlands, the migrant had to have both a job and suitable housing. In France, suitable housing was sufficient to achieve family reunion. Because of the structural housing shortage confronting various West European destination countries after the Second World War, the housing constraint initially slowed down family reunion. As more houses were built and the housing market eased up, Mediterraneans found accommodation in houses vacated by indigenous families for qualitatively better neighbourhoods or surrounding commuter towns.

In time, family reunion soared in the receiving countries of North-west Europe. From information about Germany in 1980 it appears that a considerable portion of the immigrants had already been reunited with their partners there (see Table 6). The interpretation of these data should take into account the fact that some of the foreign workers (Italians, among others) married German women.

The same picture emerges from Dutch figures, according to which in 1982, 79 per cent of the married Turkish men and 61 per cent of the married Moroccan men were living with a non-Dutch partner. In the 1970s in Germany, and probably also in the Netherlands, family reunion probably increased much faster than in France, where ties had existed with the North African countries from colonial times onward, and where initially the admission of family members was much easier. Table 7 gives an impression of the differences between France and Germany: it reproduces the percentages of Mediterraneans living in either country in 1961-62 and 1976 who were not part of the labour supply ("inactive"). In France, the proportion of inactives, indicating the degree to which (non-working) family members were living in the host country, was already high in the early 1960s. The German figure lagged far behind, reaching a comparable level only in 1976.

The reunion of families of Mediterraneans in the receiving countries may in time cause a new migration flow, if the children from these families marry partners from the sending countries and have them come to join them. Among the migrants from Asiatic and North African countries, where parents often arrange marriages for their children, this happens frequently.

Table 6

PROPORTION OF MARRIED MEDITERRANEAN MALE AND FEMALE WORKERS LIVING WITH THEIR PARTNERS IN THE FEDERAL REPUBLIC OF GERMANY, 1968 and 1980
(Percentages)

	Male		Female	
	1968	1980	1968	1980
Italians	54	82	97	94
Spaniards	60	87	95	97
Portuguese	44	90	98	94
Greeks	78	94	94	95
Yugoslavs	34	75	78	90
Turks	34	77	73	95

Source: Forschungsinstitut der Friedrich-Ebert-Stiftung (1981, pp. 313-14).

Table 7

NUMBER OF MEDITERRANEANS (*) IN MILLIONS, AND PROPORTION OF INACTIVES

	1961-62		1976	
	Total (millions)	inactive %	Total (millions)	inactive %
France	1.57	48	3.17	55
Germany	0.31	12	2.86	49

* In both countries only the most important nationalities.

Source: Böhning (1984, pp. 153 and 154) and sources quoted there.

Family reunion may have been both a result and a cause of a prolonged stay. If the migrant wanted or expected to stay long in the host country he might bring in his family in an attempt to solve or prevent marriage and family problems in the home country (5). The arrival of his wife and family made the migrant's life much more expensive, for housing and keeping the family cost considerably more in the host country than in the home country. Frequently he incurred debts to pay for the family's journey and furnish a home, which was usually rented but sometimes bought. Because of these higher expenses, it took longer for him to realise his financial targets, so that he had to stay longer in the receiving country than originally intended. His financial straits could be relieved somewhat if his wife found work, but the worsening labour market situation has made that more and more difficult. So, family reunion has probably induced a further lengthening of the stay in the host country.

The economic recession

In the first half of the 1970s, the North-west European receiving countries fell into a serious economic recession. Although not all countries were afflicted in the same way and to the same extent, the results everywhere were stagnating employment and rising unemployment rates. Only in the last few years has economic development shown signs of recovery; the situation on the labour market has still hardly improved.

Table 8 indicates the drastic change in the economic situation of some North-west European countries from the early 1970s on. The data are confined to economic growth and the unemployment rate. Economic growth is shown to have been reduced to less than half between 1973 and 1982, while unemployment soared, in particular in Belgium and the Netherlands.

The turn in economic development has drastically altered the position of the Mediterranean migrants. The sharply-reduced economic growth rates and the changed international competitive relations, especially in respect to Japan and the semi-industrialised countries, have accelerated the decline in employment, especially in those branches of industry where Mediterraneans were mostly employed.

Table 8

ECONOMIC GROWTH AND UNEMPLOYMENT IN SOME NORTH-WEST EUROPEAN COUNTRIES, 1964-82

	Average annual GDP (a) growth rate		Unemployment as % of labour force (b)		
	1964-73	1973-82	1966 (*)	1973	1982
Germany	4.5	1.7	0.2	0.8	6.1
France	5.5	2.4	1.8	2.6	8.0
Switzerland	3.6	1.4	-	-	-
Belgium	4.8	1.9	2.0	2.8	13.1
Netherlands	5.3	1.5	0.8	2.2	11.4
Sweden	3.4	1.4	1.6	2.5	3.1

* Standardised unemployment rates are available only from 1966 onwards.

Sources: a) OECD, National Accounts of OECD Countries 1960-72.
b) OECD, Quarterly Labour Force Statistics.

In view of the prevailing developments, the receiving countries in North-west Europe began to subject the admission of new migrants to strict rules (6). These rules were inspired not simply by the desire to control the fast-growing unemployment among Mediterraneans, but also by the growing awareness that their presence, now becoming permanent, incurred high social costs. There was mounting social tension between Mediterraneans and the indigenous population, especially concerning the distribution of scarce housing accommodation and employment, and the alleged deterioration of the living environment. Moreover, public authorities feared a disproportionate increase in claims from permanently residing immigrants with their families on such public goods and services as education, health care, social security and housing.

The downturn in economic growth and the changed policy view of the migration phenomenon have brought about a change in the migration pattern as can be seen from Table 9. This table presents the numbers of Mediterraneans of various nationalities residing in Germany, France and the Netherlands in 1974 and 1982, as well as the percentage changes in these populations in the periods 1974-78 and 1978-82. From these data, the number of Greeks, Italians, Yugoslavs, Spaniards and Algerians appears to have dropped considerably. The number of Portuguese, which had already dropped in Germany in the first sub-period, later decreased in France and the Netherlands as well. With the

Table 9

SIZE AND CHANGE OF MEDITERRANEAN POPULATION IN THE FEDERAL REPUBLIC OF GERMANY, FRANCE AND THE NETHERLANDS 1974-1982 (thousands)

	1974			1974-1978			1978-1982			1982		
	Germany	France	Netherlands	Germany	France	Netherlands	Germany	France	Netherlands	Germany	France	Netherlands
					%			%				
Greeks	406.4	-	4.2	-24.8	-	-2.4	-1.5	-	-2.4	300.8	-	4.0
Italians	629.6	564.7	19.7	-9.1	-12.2	7.1	5.1	-11.1	1.4	601.6	441.0	21.4
Yugoslavs	707.8	79.4	12.9	-13.8	-7.8	7.8	3.5	-6.7	-1.4	631.7	68.3	13.7
Portuguese	121.5	840.5	7.8	-9.6	4.0	20.5	-3.6	-0.8	-14.9	106.0	866.6	8.0
Spaniards	272.7	548.6	31.3	-30.7	-16.7	-20.8	-8.2	-13.5	-9.3	173.5	395.4	22.5
Turks	1 027.8	59.2	62.6	13.4	46.5	70.3	35.7	55.8	44.7	1 580.7	135.0	154.2
Moroccans	24.0	302.3	33.2	20.4	27.7	92.8	47.3	27.6	58.6	42.6	492.7	101.5
Algerians	-	871.2	-	-	-6.0	-	-	-1.7	-	-	805.4	-
Tunisians	17.5	162.5	-	9.9	11.1	-	31.0	18.0	-	25.2	212.9	-
TOTAL	3 207.3	3 428.4	171.7	-6.5	-1.6	42.1	15.4	1.3	33.4	3 462.1	3 417.3	325.3

- = no data given.

Source: Penninx (1984), and sources quoted there (percentage changes have been computed).

exception of the Algerians, all these migrants came from countries which score better in terms of prosperity than other Mediterranean sending countries. By contrast, the number of migrants from the poorest sending countries (Turkey, Morocco and Tunisia) greatly increased, for the most part on account of family reunion. The grand total of all nationalities changed little, except in the Netherlands, which recorded a relatively sharp rise.

Among the immigrants who have stayed on, there is relatively high unemployment and disability. In Germany, an estimated 15 per cent of the Turkish labour force were unemployed in 1982 (7), against 6 per cent of the total labour force. In the Netherlands, unemployment among the Turkish labour force was estimated at no less than 33 per cent in 1983, against a national unemployment rate of 12.5 per cent. Among Moroccans in the Netherlands, unemployment was worse still: 37 per cent [Muus (1984)].

For those who migrated with a certain financial target in view and had planned to return to their home country once they had achieved it, the decline in income because of unemployment or unfitness for work spells a delay or even miscarriage of their plans. Even for those who are still in employment, saving targets will take longer to achieve than was expected, for their disposable wages are rising more slowly or even declining. If debts have been incurred to finance the transfer of the family and the purchase of a house or other durable consumer goods, positive capital building may be out of the question for ever. Immigrants from the poorest sending countries, namely Turkey and Morocco, can only console themselves with the thought that the benefit they receive or wage they earn in the host country still buys them much more than an average income in their home country.

What the changed economic circumstances imply for the desired length of stay can be visualised by a simple model; it applies only to migrants with a clear-cut savings target in mind. Moreover, some simplifying assumptions will be made regarding the saving behaviour of migrants, and the economic prospects in the country of origin will be left out of the account. Because of those limitations, the model is merely illustrative.

The gross income of migrants (I) consists of four components: the premiums and taxes deducted (B), income transfer to the home country (T), savings (S), and expenditure in the country of destination (C); the equation reads:

$$I_t = B_t + T_t + S_t + C_t \qquad [3.1]$$

In this equation, index t indicates the year after arrival in the country of destination. The time of arrival is $t = 0$, that of departure $t = n$. In the period (0,n) the migrant will earn a given -- annually increasing -- income, of which he invariably sets a certain proportion aside to build up desired capital. On the capital already formed he receives interest.

The assumption is that the migrant spends a fixed portion of his gross income on premiums and taxes, transfers and expenditures (η). Substitution into [3.1] gives:

$$I_t = \eta I_t + S_t \qquad [3.2]$$

Rewriting (3.2) produces for the savings S_t:

$$S_t = (1-\eta)\ I_t \qquad [3.3]$$

The next assumption is that gross income grows by a constant percentage (g).

$$I_t = I_0\ (1+g)^t \qquad [3.4]$$

in which I_0 is the income on arrival in the country of destination. Substitution of (3.4) into (3.3) gives:

$$S_t = (1-\eta)\ I_0\ (1+g)^t \qquad [3.5]$$

The capital assembled after n years (V_n) consists of annual savings, plus the interest (i) accumulated on these savings. Expressed in an equation:

$$V_n = S_0\ (1+i)^n + S_1\ (1+i)^{n-1} + S_2\ (1+i)^{n-2} + \ldots\ldots\ldots + S_{n-1}(1+i) + S_n \qquad [3.6]$$

Substitution of (3.5) into (3.6) gives:

$$V_n = (1-\eta)\ I_0\ (1+i)^n + (1-\eta)\ I_0\ (1+g)\ (1+i)^{n-1} + (1-\eta)I_0(1+g)^2(1+i)^{n-2} + \ldots$$

$$+ (1-\eta)I_0\ (1+g)^{n-1}(1+i) + (1-\eta)I_0\ (1+g)^n$$

$$= (1-\eta)\ I_0 \sum_{t=0}^{n}(1+i)^{n-t}(1+g)^t \qquad [3.7]$$

The solution is:

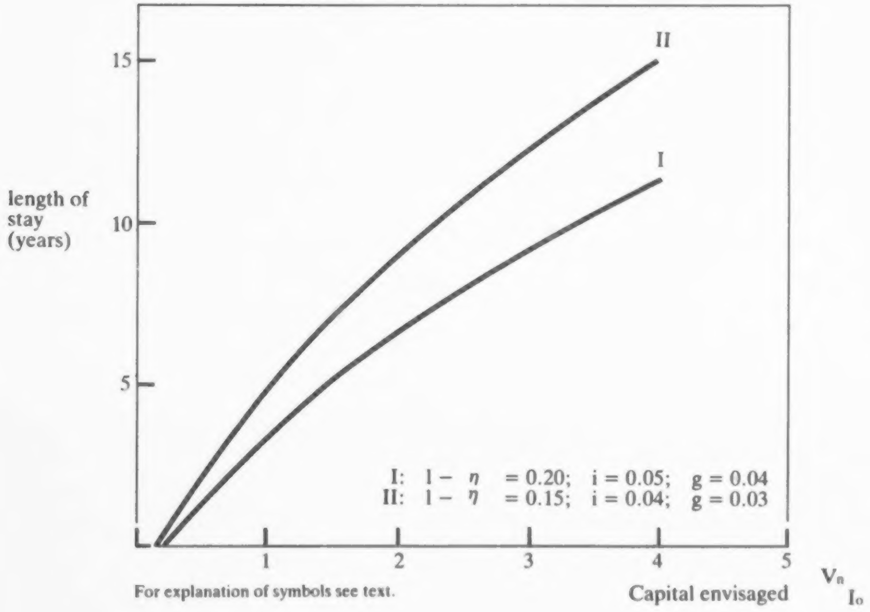
$$V_n = (1-\eta)I_0\ [\ (1+i) - (1+g)\ ]^{-1}\ [\ (1+i)^{n+1} - (1+g)^{n+1}\ ] \qquad [3.8]$$

This equation indicates the composition of the capital from the savings quota $(1-\eta)$, the initial income (I_0), the increase of income through time (g), the interest rate (i) and the length of stay (n).

Diagram 1 reproduces on the basis of equation [3.8] the relation between the capital envisaged (along the horizontal axis) and the length of stay required to build it up (along the vertical axis), on the assumption of given savings quota, interest rate and income growth. The envisaged capital is expressed in the initial income (V_n/I_0). A ratio $V_n/I_0 = 1$ means that a capital equal to the income on arrival is aimed at. A ratio $V_n/I_0 = 2$ implies that twice the initial income is the target envisaged. So, at a gross initial income of Gld 25 000 a year, the migrant will set out to save, respectively, Gld 25 000 or Gld 50 000 before returning home.

Diagram 1

LENGTH OF STAY AND ACCUMULATED CAPITAL



For explanation of symbols see text.

To illustrate how the economic situation affects the duration of stay, two curves have been plotted. Curve I assumes rapid income growth ($g = 4$ per cent) and a high rate of interest ($i = 5$ per cent). Moreover, it assumes a very high savings quota ($1 - \eta = 20$ per cent). Under such favourable economic circumstances a sum equal to the initial income can be set aside in just over three years. To save twice the initial income, six and a half years are required. Should the migrant set his target at four times his initial income, then, under the given circumstances and saving the given annual amount, he will have to stay more than eleven years in the country of destination (8).

When the economic situation declines, migrants will have to prolong their stay to accomplish their savings target. That situation is represented by curve II, which assumes a slower growth of income ($g = 3$ per cent) and a lower rate of interest ($i = 4$ per cent). A further assumption is that no more than 15 per cent of gross income can be saved, still a respectable amount. An extra one and a half years are now required to accumulate a sum equal to the initial income. For a target sum of twice the initial income, an additional stay of two and a half years is necessary, which brings the total stay up to nine years instead of the six and a half required under favourable economic conditions. For a target sum equal to four times the initial income, four additional years are necessary, bringing the total period up to fifteen years.

The above analysis of the time migrants stay in their country of destination illustrates that a change in economic circumstances may have a great impact on the time needed to realise one's savings target. The consequences can be quite drastic if the migrant is laid off or benefits are reduced. In general, the more uncertain a migrant's future economic position, the less sure he will become about how long he needs to stay to realise his savings target. That could explain why Mediterraneans are so vague in their notions about the time of return.

The conclusion must be that the length of stay is an unstable variable. Changing economic conditions in the home country or in the host country may either shift the individual cost/benefit ratio towards a longer optimum stay, or force the decision to go home. The cost/benefit ratio may be different for later generations of settled migrants, especially those born and bred in the host country: their ties with their fathers' and grandfathers' country of birth may have become so weak that returning there no longer represents a realistic option to them.

IV. SECTORAL DISTRIBUTION AND LEVEL OF SKILL

Sectoral distribution and skill levels

Tables 10 through 12 show the employment of Mediterraneans in the main sectors (agriculture, industry and services) in Germany, France and the Netherlands, respectively; for the sake of comparison, total employment in each main sector is also given. The data refer to three points in time between the end of the 1960s (9) and the beginning of the 1980s. The data of Table 13 give, for the same three countries, an impression of the skill level of work done by Mediterraneans; they refer for each country to two points in time between the early or mid-1970s and the early 1980s (10).

The distribution of total employment across the three main sectors indicates that all three countries have arrived at the post-industrial stage, where employment is highest and growing fastest in the service sector and the employment share of industry is declining. By the end of the observed period the volume of industrial employment is declining in all three countries, so that the concentration of Mediterraneans in industry by the end of the 1960s is remarkable. In Germany, the Netherlands and France, 85 and 78 and 69 per cent, respectively, of the Mediterraneans were employed in the industrial sector. From the level-of-skill data, 80 to 90 per cent of the work done by Mediterraneans at the time was unskilled.

The situation prevailing by the end of the 1960s, with foreign labour concentrated in industry and in low-skilled work, can be explained as follows. In the 1960s, there was strong economic expansion, accompanied by fast employment growth in the service sector. Jobs becoming available in this sector offered mostly higher-qualified work, a better reward and more attractive working conditions than industrial jobs. With prosperity rising and educational provisions improving, the levels of education and aspiration

Table 10

EMPLOYMENT BY SECTOR, MEDITERRANEAN MIGRANTS AND TOTAL, FEDERAL REPUBLIC OF GERMANY, 1968, 1979 and 1983

	1968				1979				1983			
	Mediterraneans		Total		Mediterraneans		Total		Mediterraneans		Total	
	(000s)	%	(000s)	%	(000s)	%	(000s)	%	(000s)	%	(000s)	%
Agriculture	7.7	0.9	2 523	9.9	13.1	0.9	1 479	5.8	13.0	1.0	1 372	5.6
Industry	726.9	84.9	12 014	47.1	1 165.5	77.8	11 313	44.4	965.8	73.6	10 358	42.0
Services	121.9	14.2	10 954	43.0	318.9	21.3	12 715	49.9	334.1	25.5	12 960	52.5
TOTAL	856.6	100.0	25 491	100.0	1 497.5	100.0	25 507	100.0	1 312.9	100.0	24 690	100.0

Sources: Mediterranean migrants: Biffl (1984) (excludes North Africans).

Total: OECD, Labour Force Statistics 1963-1983.

Table 11

EMPLOYMENT BY SECTOR, MEDITERRANEAN MIGRANTS AND TOTAL,
FRANCE 1968, 1975 AND 1982

	1968				1975				1982			
	Mediterraneans (a)		Total		Mediterraneans		Total		Mediterraneans (b)		Total	
	(000s)	%	(000s)	%	(000s)	%	(000s)	%	(000s)	%	(000s)	%
Agriculture	87.0	8.2	3 159	16.0	76.2	5.7	2 158	10.3	52.1	4.7	1 737	8.2
Industry	734.8	69.3	7 765	39.4	915.8	68.7	8 051	38.6	660.9	59.8	7 339	34.5
Services	238.0	22.5	8 806	44.6	340.6	25.6	10 676	51.1	391.4	35.4	12 178	57.3
TOTAL	1 059.8	100.0	19 730	100.0	1 332.7	100.00	20 885	100.0	1 104.3	100.0	21 254	100.0

a) Excluding Turks and Yugoslavs.
b) Excluding Yugoslavs.

Sources: Mediterraneans: INSEE (including North Africans but excluding Greeks).

Total: OECD, Labour Force Statistics 1963-1983.

Table 12

EMPLOYMENT BY SECTOR, MEDITERRANEAN MIGRANTS AND TOTAL, THE NETHERLANDS, 1972, 1979 AND 1984

	1972				1979				1984			
	Mediterraneans		Total		Mediterraneans		Total		Mediterraneans (b)		Total (c)	
	(000s)	%	(000s)	%	(000s)	%	(000s)	%	(000s)	%	(000s)	%
Agriculture	-	1 (a)	3.15	6.7	1.8	1.8	280	5.9	2.2	2.5	273	6.0
Industry	80.6	78	1 679	35.9	72.5	72.4	1 515	31.7	55.7	64.2	1 260	27.9
Services	21.4	21	2 189	57.4	25.8	25.8	2 978	62.4	28.8	33.2	2 991	66.1
TOTAL	102.0	100.0	4 683	100.0	100.1	100.0	4 773	100.0	86.6	100.0	4 524	100.0

a) Estimate.
b) Tentative figures.
c) 1983.

Source: CBS (included North Africans).

of the labour force were rising too. A growing proportion of the labour force tried for the high-skilled and well-rewarded jobs in the fast expanding service sector and the more attractive branches of industry. The shift was so rapid that, despite the stagnating employment in industry, serious shortages of labour occurred, particularly in branches of industry where prospects were poor, the reward and skill level of the work low, and the working conditions relatively bad. Vacancies for unskilled and low-skilled manual labour were the most difficult to fill, and many companies resorted to the recruitment of unskilled and low-skilled foreign labour as the most attractive and surest solution. In order to upgrade the work and improve the working conditions these firms would have had to make new investments on which the returns were very uncertain, while a large initial boost to the lowest wage levels at the expense of the higher ones would ultimately have pushed up the whole wage structure to unacceptable heights.

Table 13

LEVEL OF SKILL OF MEDITERRANEAN WORKERS, FEDERAL REPUBLIC GERMANY, FRANCE AND THE NETHERLANDS
(Percentages)

France (a)			Germany (b)			Netherlands (c)		
	1975	1980		1972	1980		1968	1974 (*)
White collar	20	32	skilled	18	26	skilled	11	14
Blue collar	80	68	unskilled +	82	74	unskilled +	89	86
TOTAL	100	100		100	100		100	100

* North-Holland, industry only.

+ Including semi-skilled.

Sources: a) Biffl (1984) (all foreigners).
b) Biffl (1984) (excludes North Africans).
c) 1968: Nederlandse Stichting voor Statistiek (1971); 1974: Regionale Raad voor de Arbeidsmarkt Noord-Holland (1975).

With those facts in mind, the high relative penetration of Mediterranean labour into a given branch of activity can probably be explained from the following factors:

i) Unfavourable employment prospects, for instance because of keener competition from countries with large reserves of unskilled labour and a low wage level;

ii) A high proportion of unskilled manual workers;

iii) A combination of unpleasant working conditions, for instance a noisy environment, dirty work and awkward working hours because of shift-work schemes;

iv) A relatively low reward for manual labour.

To verify this, the following model will be tested for the Netherlands:

$$m = (\Delta e)^{\beta_1} (u.n.s.)^{\beta_2/3} (rw)^{\beta_3}, \text{ with } \beta_1, \beta_3 < 0 \text{ and } \beta_2 > 0 \qquad [4.1]$$

in which:

m = number of (work permits for) Mediterraneans as a percentage of employment;

Δe = rate of change of employment in the past five years;

u = percentage of unskilled labour;

n = percentage of employment in a noisy environment;

s = percentage of labour coping with awkward working hours;

rw = deviation of hourly wages of manual workers from the average.

The model will be estimated with the help of data by branch of activity for 1975, based on a division into 18 branches of industry (complete) and services (incomplete) (See Annex B for data used). The estimation results are:

$$\underset{}{\ln m} = \underset{(-6.0)}{-1.51 \ln \Delta e} + \underset{(6.1)}{2.25 \left(\frac{\ln u + \ln n + \ln s}{3}\right)} - \underset{(3.9)}{7.72 \ln rw} \qquad [4.2]$$

$\bar{R}^2 = 0.70$, SE = 1.009, t-values in brackets, N = 18.

All coefficients have the expected sign and are significantly different from zero. The estimation results thus corroborate the causes suggested above for the "guest-worker" phenomenon and the specific rôle of Mediterraneans in the labour market.

Comparable results were obtained from a similar analysis carried out for Austria. In view of the data available, the model was specified in a slightly different way:

$$m = \gamma_0(\Delta e)^{\gamma_1}(ml^{\gamma_2})(sn)^{\gamma_3}(rw)^{\gamma_4}, \text{ with } \gamma_1, \gamma_4 < 0 \text{ and } \gamma_0, \gamma_2, \gamma_3 > 0 \qquad [4.3]$$

in which:

m = percentage of foreigners;

Δe = rate of change of employment in the past five years;

ml = percentage of blue-collar workers;

sn = percentage of shift or night work;

rw = deviation of hourly wages of blue-collar workers from the average (11).

The number of (sectorial) observations is 18 (See Annex B for data used). The data on the migrants and the development of employment refer to 1980 and 1975-80; the data on blue-collar workers and wages refer to 1981, and the data on shift work and night work date from 1978. That these data refer to different points in time does not seem a serious handicap, because they are structural data. The estimation results are:

$$\begin{array}{l} \ln m = 14.46 - 3.51 \ln(\Delta e) + 0.82 \ln(ml) + 0.11 \ln(sn) - 1.30 \ln(rw) \\ \qquad\quad (1.6)\ (-2.0) \qquad\qquad (2.4) \qquad\qquad (0.7) \qquad\qquad (-1.6) \end{array} \qquad [4.4]$$

$\bar{R}^2 = 0.70$; SE = 0.596; N = 18.

All estimated coefficients have the expected sign; the variable "shift or night work" is not significant and the significance of the relative hourly wage is weak. One should bear in mind, however, that the dependent variable does not include only Mediterranean migrants, but also foreigners for whom the assumed connection does not apply. The estimation results nevertheless confirm the strong dependence of the "guest-workers" on the available manual labour in sectors with unfavourable employment prospects and low wages.

The patterns of penetration of Mediterraneans into the various branches of activity, as it emerges for the first half of the 1970s, are almost the same for the three countries observed (Germany, France and the Netherlands). The proportion of Mediterraneans in employment was generally high in the industrial branches: metal; synthetics, rubber and asbestos; stone, clay and glass; textile, leather and clothing; construction; and also within the catering and cleaning services.

At the end of the 1970s and in the early 1980s the number of Mediterraneans employed in industry was much smaller. In relative terms, the decline even surpassed that of industrial employment in general. The number of Mediterraneans employed in services had increased, but not enough to make up for the decline in industry, so that the total number of employed Mediterraneans had decreased. That applies to all three countries under consideration.

The absolute as well as relative deterioration of the Mediterraneans' labour-market positions might be explained as follows. The economic recession slowed down employment growth in services and accelerated the decline of industrial employment. As a result, the labour market eased up and unemployment soared. The decline of industrial employment reflects the move of certain labour-intensive segments of industry with relatively high proportions of unskilled manual work to semi-industrialised countries, as well as the process of modernisation and capital intensification of other segments of industry. The two processes combined to cause a relatively large expulsion of low-skilled manual labour from the industrial sector. As a result, the Mediterraneans -- almost exclusively dependent on unskilled and low-skilled jobs in industry and a still limited segment of the service sector -- have become progressively redundant. Moreover, the easier labour market has sharpened competition, in particular at the lower end. Their lack of skills, their lack of proficiency in the language and their great cultural distance from the national population weakens the Mediterraneans' competitive position with respect to other groups.

Search behaviour of Mediterraneans and selection behaviour of employers

As far as the older Mediterraneans are concerned, there is a logical explanation for their one-sided dependence on the industrial sector for their jobs. On arrival in the receiving country, they were recruited for a job in industry. They gained experience in that kind of job, and for as long as industry offered sufficient employment, they easily found a new job in the same sector. The aptitude and interest of the older Mediterranean workers thus centred more and more around the available jobs in industry.

For young Mediterraneans the situation is different. On arriving in the receiving country or on leaving school, they can in principle choose a different occupation from that of their parents. The results of an inquiry among 600 young Turks and Moroccans in some Dutch towns may shed light on the matter [Brassé et al. (1983)]. Table 14 shows how in 1981 -- the year of the inquiry -- the employed young Turks and Moroccans were spread among the three main sectors. Because they were asked also to state their parents' occupation, a comparison can be made between the two generations. The correspondance is striking. Young Turkish and Moroccan men clearly follow in their fathers' footsteps: they, too, are working in industry in great majority (12). Young Turkish and Moroccan women and their mothers show a similar phenomenon: their shares of employment in agriculture, industry and services do not vary much, although, in contrast to the men, they are mainly dependent on the service sector (13). However, since women constitute only a limited portion of the Turkish and Moroccan active population, there does appear to be a one-sided dependence of Turks and Moroccans on industrial employment. Given the continued decline of industrial employment, the thought that this also applies to the younger generation gives little hope for the future.

The sectoral employment pattern of young Turks and Moroccans is, perhaps, related to their education. From the inquiry, an overwhelming majority of young Turks and Moroccans going to Dutch schools appear to choose lower vocational schools for their secondary education. After elementary school, only a minor portion of them follow a form of general or higher

Table 14

TURKS AND MOROCCANS IN SOME DUTCH TOWNS, BY SECTOR, 1981
(Percentages)

	Men		Women	
	aged 16-24	fathers	aged 16-24	mothers
Agriculture	5	5	6	2
Industry	65	72	39	31
Services	30	23	55	67
TOTAL	100	100	100	100

Source: Brassé *et al*. (1983).

professional education. Most boys going to lower vocational schools opt for mechanical trades, most girls for needlework. More than 80 per cent do not gain a qualification, however, so that the mass of young Turkish and Moroccan school-leavers must be considered unskilled, and insofar as they have acquired some knowledge it is limited to industrial work (boys) or household work (girls). Data on the skill level of the work performed are in agreement: almost 90 per cent of the young Turks and Moroccans interviewed appeared to perform unskilled work (14).

The situation in Germany appears to differ somewhat from that in the Netherlands, as can be established from a representative investigation carried out in 1980 among Mediterranean migrants in Germany [Forschungsinstitut der Friedrich-Ebert-Stiftung (1981)]. From this investigation, it appears that of young Mediterraneans between 15 and 24 years old who have gone to school in Germany (27 per cent), some 60 per cent attended advanced primary schools (*Hauptschule*) and only 16 per cent a professional school (*Fachoberschule*, *Fachschule*) (Ibid., pp. 40-73). In Germany the problem is rather the limited flow of Mediterraneans from advanced primary to professional education; this especially holds true for young Turks, among whom 71 per cent of the relevant group is not following or has not followed a professional education. This, and the fact that a considerable proportion have not attended schools in Germany, explains why there, too, the skill level of the work done by young Mediterranean migrants is very low: 84 per cent of the working 15-24 year olds do unskilled work (15).

Lack of linguistic proficiency in the country of settlement may be another barrier to work outside industry. In many service sectors, ability to communicate in writing (reading and writing) or orally (speaking and understanding) is a necessity. In time, as more Mediterraneans acquire an elementary education in their country of settlement, their proficiency will improve. An important point to make is that a considerable portion of the young Turks and Moroccans now living in North-west Europe were born and educated in Turkey or Morocco. The choice of school, school performance and language proficiency may be better among young Mediterraneans born in the country of settlement (the "real" second generation). Another point is that among Turks and Moroccans in France, the linguistic problem may be less severe than in Germany and the Netherlands for those youngsters who learnt French in their home country, which perhaps helps to give them easier access to the service sector in France than in the Netherlands and Germany.

The similarity of the sectoral distribution of employed young Turks and Moroccans to that of their parents may also be associated with their job-searching methods. Table 15 gives some relevant information for the young Turks and Moroccans in the Netherlands and Germany, indicating as well the channels through which Dutch people tend to search for work. The data, which come from a variety of different sources, have been made as comparable as possible. In spite of their limited comparability, they make it clear that young Turks and Moroccans tend to rely relatively heavily on informal searching channels, in particular relatives and acquaintances. They seldom respond to advertisements, which may be because of their poor knowledge of the Dutch or German language.

Table 15

METHODS BY WHICH YOUNG TURKS AND MOROCCANS AND DUTCH PEOPLE SEEK JOBS OR TRAINING PLACES

Channels used	Germany 1980 (a) Turks between 15 and 24 looking for work or training place	Netherlands 1981 (b) Turks and Moroccans between 16 and 24 looking for work*	Netherlands 1981 (b) Dutch people looking for work +
Formal:			
Advertisement	7	12	42
Employment service	25	18	37
Other		13	6
TOTAL	32	43	85
Informal:			
Through relatives/ acquaintances	46	33	7
At random	22	24	9
TOTAL	68	57	16

* Various answers possible.
+ The first answer only.

Sources: a) Forschungsinstitut der Friedriech-Ebert-Stiftung (1981, p. 82).
b) Turks and Moroccans: Brassé *et al*. (1983, p. 89); CBS, Arbeidskrachtentelling 1981.

Informal channels have advantages as well as drawbacks. Applying for a job with a recommendation from others is one advantage, meeting a potential employer who has experience with Mediterraneans is another. Drawbacks are the necessarily limited scope of the information network of friends and relations and its one-sided focus on jobs in the industrial sector and certain forms of services. Looking for jobs along informal channels may thus consolidate the young Turks' and Moroccans' dependence solely on the (declining) employment in industry.

On the demand side, too, specific factors can be identified that have an unfavourable influence on the competitive position of Mediterraneans in the labour market. In a period of economic recession and increased competition, employers will try to improve their diminishing profitability by saving on costs. One possibility is to raise labour productivity by imposing higher standards in the selection of new staff, for instance by setting higher educational requirements. Such a measure will be detrimental to the extremely low-skilled Mediterraneans. Sometimes, however, less relevant criteria are applied. There are indications that individual candidates for jobs are judged by their membership in a given ethnic group. On the basis of several hundred test applications in the Netherlands, Bovenkerk and Breuning-van Leeuwen (1978, pp. 31-57) have demonstrated that ethnic groups are being discriminated against in the labour market; they also found that discrimination occurs more frequently as the relevant segment of the labour market is slacker. In view of the present high levels of unemployment, the assumption is therefore warranted that discrimination against ethnic groups has greatly increased recently. This is borne out by a remark made by Mehrländer, who concludes from some German investigations that foreign youngsters trying for one of the scarce training places in commercial firms are coming up against increasing hostility towards foreigners (1985, pp. 15ff.).

Because membership in an ethnic group is a criterion for selection does not mean that all ethnic groups are considered equal as far as their performance is concerned. In two inquiries carried out among personnel managers of Dutch companies, Veenman (1984) found that these managers were able to indicate a preference ranking of the perceived work performance of a number of ethnic groups -- a remarkable feat! On this ranking Yugoslavs and Spaniards do reasonably well, but the picture of the performance of Turks and Moroccans is definitely unfavourable.

Nor need the ranking indicated be decisive when it comes to the actual recruiting of manpower. For that reason Veenman also asked the personnel managers whether they would be unconditionally prepared (again) to employ foreigners. 36 per cent answered in the negative; 30 per cent would accept only members of specific foreign groups. In the latter case once more, Turks and Moroccans rank poorly, while Spaniards and Yugoslavs stand a relatively better chance. Clearly, under the present bad labour-market conditions, Mediterraneans -- in particular those of Turkish or Moroccan descent -- a priori stand a poorer chance of a job than other comparable foreigners.

V. SOME TENDENCIES FOR THE FUTURE

From the previous sections, the socio-economic position of Mediterraneans in North-west Europe appears to be overwhelmingly associated with only one segment of the labour market: the submarket of low-skilled manual labour. This segment is subject to the influence of the international patterns of socio-economic development as well as the factors and processes specific to the performance of the lowest layers of the labour market. To develop a forecasting model in which both elements are consistently represented would be a heroic proposition. The thematic approach followed in this paper does no more than supply a few building bricks for such a model. The lack of an adequate forecasting instrument makes sketching the future labour-market position of the Mediterraneans a risky enterprise. We can do no more than extend into the near future some tendencies that can be derived from the themes developed. Statements made within that limited framework should by no means be considered definitive and secure. They can at best be conceived of as contributions to a discussion of the future socio-economic position of the Mediterraneans in North-west Europe and of the policy to be designed according to its outcome.

The international socio-economic field of force in which migration between the Mediterranean area and North-west Europe takes place is not likely to show drastic changes in the next few years. In the North African and Asian countries around the Mediterranean, the low level of prosperity and the high rate of unemployment will exercise a constant pressure to emigrate on the rapidly growing potential labour force. The situation is different for those Mediterranean countries that have occupied a relatively privileged position in the past, and are (or will be in the foreseeable future) members of the European Community: Italy, Greece, Spain and Portugal. If the economic growth in Europe continues to accelerate, they might further reduce their lag in prosperity behind North-west Europe. In these countries, with the exception perhaps of the relatively poor Portugal, emigration pressure could be further relieved and the tendency towards returns from North-west Europe could continue. Some of these countries (Italy and Greece) have now themselves become receiving countries for surplus labour from North Africa and Asia. None of these developments will be spectacular, however, because in these countries, too, the economic recession has created much additional unemployment.

In North-west Europe the recent economic recovery will continue. For the time being that does not imply a spectacular employment growth; unemployment generally will remain at a high level, increasing sometimes and declining in a few cases. The phenomenon of economic growth combined with an easy labour market reflects a process of industrial recovery and innovation. Much unskilled manual work has been shifted to semi-industrialised countries in the Far East, or eliminated by capital intensification and automation. That process will go on. Insofar as industry needs new manpower -- to cope with industrial recovery and to replace pensioners -- the required level of education will be higher than before. That tendency will be reinforced by the slack labour market with an abundance of high-skilled workers.

In this situation, persistent economic recovery will bring no relief to the position of the Mediterraneans in North-west Europe. On the contrary, further deterioration is more likely; the relatively rapid natural increase

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of this population group still aggravates their situation. They might strengthen their position by acquiring proficiency in the language of their country of settlement, and -- in the longer term -- by better schooling. There might then be prospects for them in the service sector, where employment is still on the increase. Changes in the prevailing zoning conditions and criteria with respect to professional ability might give them a better chance of setting up their own craft or service business. Lower minimum wages and a narrowing of the wedge driven between wage costs and disposable income would also spell hope for Mediterraneans. Many low-skilled informal and unusual crafts and services now constituting the "informal economy" might then re-enter the regular economy. Finally, some positive discrimination might be considered: without lowering quality standards, Mediterraneans might be given preferential treatment when applying for a position in the civil services or with companies financially dependent on the government, or for admittance into professional schools or apprentice schemes.

In spite of the progressive pressure exerted on Mediterraneans to return home, no spectacular developments can be expected on that score either. Immigrants from such countries as Turkey and Morocco, where the employment prospects are extremely poor and will remain so for a long time to come, are unlikely to respond to such pressure. Admittedly, the situation is highly fluid. To create a substantial return migration flow, certain conditions must be fulfilled. Return migrants must be assured of continued social-benefit payments once they are back in their home country; they must have the opportunity to sell the house they may have bought, pay off any debts incurred, add premiums to their savings until they have accumulated a sum that can be profitably invested in the home country or converted into a state pension (Turkey), etc. Even then, in the first instance only the small minority who are living alone, without their families, may benefit. For the others, the presence of their family, and the fact that they are getting increasingly accustomed to the economic, social and cultural way of life in the land of settlement, will mean an important brake on return migration (16).

NOTES

1. The Federal Republic of Germany is an exception in the sense that the share of industry in employment, though past its peak, surpasses that of the services.

2. For the application of a comparable model to migration within Europe cf. Klaassen and Drewe (1973); and for an application to the migration of Mediterraneans: cf. Heijke and Klaassen (1979a, pp. 117-30), and Heijke (1979b).

3. See Annex A for the data used.

4. Another cause might be the unavoidable omission of the empty cells in the relevant cross-section tables.

5. The fear of marriage and family problems in the home country as a motive for family reunion has been observed, at any rate for Moroccans, by van den Berg-Eldering (1979).

6. For this change in government policy compare OECD, (1979, pp. 20 ff.).

7. Computed from data borrowed from Werth (1983, Table 1).

8. In responding to a survey among Turks employed by a Dutch company which had promised their foreign workers a premium of Gld 25 000 on returning to their home country, most migrants mentioned an amount of Gld 100 000 or more as envisaged savings [Muus (1985), an interim report based on tentative data].

9. 1972 for the Netherlands.

10. 1968 and 1974 for the Netherlands.

11. That is the monthly wage divided by the number of hours worked per week.

12. The same can be observed for young Turks in Germany: roughly 80 per cent found their first job in industry, and more than 80 per cent of all Turks working in Germany are employed in that sector [Mehrländer (1983, p. 45); Biffl (1984)].

13. There is a striking correspondence with the young Turkish women in Germany of whom -- on a rough estimate -- 50 per cent find their first job in the service sector and 40 per cent in industry.

14. Including semi-skilled, [Brassé et al. (1983, p. 108, levels 1 through 3)].

15. Including semi-skilled [Ibid., p. 128].

16. For an indication of these stimulating and braking factors cf. Muus (1985).

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Table A.1

STOCKS OF FOREIGN WORKERS IN SOPEMI IMMIGRATION COUNTRIES, 1974 AND 1980
(Thousands)

	Austria		Belgium		France		Germany		Netherlands		Sweden		Switzerland	
	1974	1980	1974	1980	1974	1980	1974	1980	1974	1980	1974	1980	1974	1980
Algeria	-	-	3.0	3.2	440.0	382.1	-	2.7	-	-	-	-	-	-
Greece	-	-	6.0	10.7	5.0	-	223.0	138.4	2.0	1.3	8.0	7.5	5.0	4.78
Italy	2.0	2.1	70.0	90.5	230.0	157.6	405.0	324.3	10.0	10.0	3.0	-	306.0	233.81
Morocco	-	-	30.0	37.3	130.0	171.9	14.8	16.6	23.0	34.2	-	-	-	-
Portugal	-	-	4.0	6.2	475.0	434.6	81.0	59.9	4.0	4.3	1.0	-	3.0	7.46
Spain	-	0.2	34.0	32.0	265.0	128.9	160.0	89.3	19.0	10.6	2.0	-	75.0	62.1
Tunisia	-	-	-	4.7	70.0	73.2	10.6	-	1.0	1.1	-	-	-	-
Turkey	29.0	30.1	10.0	23.0	25.0	-	585.0	623.9	33.0	53.8	2.0	-	14.0	20.7
Yugoslavia	166.0	120.9	3.0	3.1	50.0	-	495.0	367.0	9.0	6.8	23.0	24.0	23.0	30.7

- = the nationality in question is not identified separately.

Source: OECD *Observer* July-August 1975; SOPEMI 1981 (figures subsequently revised).

Table A.2

	GDP per capita in US dollars (a)		Employment (000s)(b)		Population aged 15-65 (000s) (c)	
	1974	1980	1974	1980	1974	1980
Sweden	6 884	14 938	3 962	4 232		
Switzerland	7 355	15 904	3 187	3 012		
Germany	6 139	13 236	25 688	25 265		
France	5 037	12 183	20 959	21 142		
Belgium	5 495	12 154	3 801	3 751		
Netherlands	5 226	11 979	4 596	4 669		
Austria	4 358	10 261	3 217	3 070		
Italy	2 754	7 011			35 980	36 843
Greece	2 099	4 165			5 722	6 153
Spain	2 472	5 658			21 971	23 651
Yugoslavia	1 021	2 481			13 785	14 771
Portugal	1 496	2 482			5 717	6 288
Turkey	769	1 267			21 632	24 516
Algeria	769	2 255			7 450	9 925
Tunisia	637	1 356			2 877	3 537
Morocco	362	878			8 346	9 711

Sources:

a) UN, National Accounts Statistics: Analysis of Main Aggregates, 1982.

b) OECD, Labour Force Statistics 1969-1980 (Employment in Austria corrected for military personnel by OECD Observer, March, 1982).

c) UN, Demographic Yearbook 1983. Census data Yugoslavia 1980, Morocco 1978, Algeria 1982, Tunisia 1981.

Table A.3

STRAIGHT LINE DISTANCES, KILOMETERS

	Austria	France	Germany	Switzerland	Belgium	Netherlands	Sweden
Greece	1 300	2 100	2 000	1 700	2 100	2 300	2 400
Italy	600	900	1 000	600	1 100	1 200	2 000
Portugal	2 200	1 400	1 800	1 600	1 600	1 700	2 900
Spain	1 800	1 000	1 500	1 200	1 400	1 600	2 700
Yugoslavia	400	1 300	900	900	1 300	1 400	1 700
Turkey	1 500	2 400	2 200	2 000	2 400	2 400	2 600
Algeria	1 700	1 300	1 800	1 300	1 600	1 800	2 700
Morocco	2 700	800	2 400	2 100	2 300	2 400	3 600
Tunisia	1 500	1 500	1 700	1 300	1 800	1 900	2 700

Table B.1

CHARACTERISTICS OF LABOUR FORCE BY SECTOR, NETHERLANDS, 1975

Sector	Work permits granted to Mediterraneans, as % of total employment	Percentage growth total employment 1970-75	Percentage					Hourly wage of manual labourers (guilders)
			Unskilled labour	With noisy work	with dirty work	With dangerous work	With irregular working hours	
1. Agriculture, fishery	0.14	-9.1	41.85	11.6	12.9	41.8	5.9	.
2. Mining	3.64	-66.7	35.45	47.2	22.2	54.6	22.0	11.54
3. Food, beverages and tobacco	4.43	-7.9	49.61	41.4	7.7	34.6	12.4	9.76
4. Textile	7.71	-32.5	58.67	56.4	19.2	32.8	15.9	9.40
5. Clothing	2.86	-46.3	53.05	43.0	9.6	17.9	0.9	7.27
6. Leather	5.26	-33.3	58.20	43.1	12.9	24.1	0.6	8.49
7. Wood and furniture	2.19	-10.8	45.12	55.6	15.9	48.8	1.6	9.13
8. Paper	4.09	-8.8	51.80	59.1	14.0	45.8	27.7	10.57
9. Printing	0.62	-4.8	25.91	48.8	12.1	27.3	7.1	10.95
10. Oil, chemicals, rubber	3.01	+0.0	39.86	45.5	20.2	46.7	24.4	10.98
11. Building materials	5.57	-15.4	59.87	56.4	28.6	46.4	14.8	9.98
12. Mechanical engineering	4.37	-2.9	35.22	.	.	.	.	10.24
13. Electrical engineering	2.49	-4.9	31.92	.	.	.	.	9.48
14. Vehicle, aircraft and shipbuilding	8.19	-5.7	39.11	.	.	.	.	10.47
15. Other industry	2.39	+12.5	59.02	.	.	.	.	9.27
Engineering total (12-15)	4.50	-3.4	38.07	51.2	19.6	43.1	8.2	9.93
16. Public utilities	0.02	+4.7	27.00	23.8	9.1	39.5	10.0	12.83
17. Construction	0.39	-13.9	39.28	32.3	21.0	56.5	1.0	10.59
18. Commerce	0.19	-0.7	37.07	19.1	5.1	20.5	1.3	9.05
19. Catering	1.04	-3.2	47.48	28.8	2.0	12.1	13.0	.
20. Repairs	0.11	-10.8	25.77	48.8	26.8	41.0	1.2	8.75
21. Maritime navigation, inland shipping, air navigation	0.59	+14.3	33.33	.	.	.	.	.
22. Other transport, storage	0.23	-3.7	46.61	.	.	.	.	.
Total transport (21-22)	0.33	+0.4	42.68	46.5	15.8	57.8	25.8	11.02
23. Post and telecommunications	0.04	+6.3	37.50	25.6	8.0	20.8	19.1	.
24. Banking and insurance	0.08	+19.5	15.33	16.4	1.4	8.8	1.6	10.09
25. Business services	0.09	+11.9	13.71	15.5	3.7	12.2	1.9	10.09
26. Government	0.09	+6.2	15.66	20.6	5.1	22.4	12.1	.
27. Education	0.05	+21.2	8.57	19.0	3.3	12.4	0.9	.
28. Medical services	0.63	+29.3	14.08	11.7	2.7	21.1	26.1	.
29. Other services	0.54	+13.7	34.52	15.5	5.8	14.8	6.5	.

Source: See Heijke (1979b, pp. 264-5) and sources quoted there.

Table B.2

CHARACTERISTICS OF LABOUR FORCE BY SECTOR, AUSTRIA, 1978/80/81

Sector	Foreigners as % of total employment 1980	Employment 1980 as % of 1975 (end of July)	Percentage of employees			Median monthly income of male blue-collar workers in Vienna, (July 1981) (schillings)	Median weekly working hours of blue-collar workers
			Blue-collar work (July 1981)	Shiftwork (June 1978)	Nightwork (June 1978)		
Agriculture, fishery	8.7	86.7	82.1	1.7	-	9 768	41.9
Textile	22.1	91.1	71.9	27.1	2.7	10 258	36.9
Clothing, shoes	9.6	90.4	78.1	3.0	-	9 139	36.3
Leather	17.0	93.5	76.0	10.0	-	9 171	34.7
Wood and furniture	4.0	111.9	79.6	6.1	0.8	10 555	37.6
Paper	7.5	91.8	76.3	42.7	15.6	11 210	37.2
Printing	4.1	98.8	55.4	14.8	1.4	14 960	35.5
Oil, chemicals, rubber	7.2	101.6	61.3	26.6	7.0	13 192	35.9
Building materials	5.1	96.7	74.2	22.6	7.2	15 392	37.2
Engineering	7.5	104.1	67.3	19.8	4.9	12 801	36.5
Construction	7.8	99.6	79.8	2.8	0.4	13 262	36.8
Commerce	3.2	110.9	27.2	1.8	0.1	10 385	35.5
Catering	18.4	115.6	88.0	20.5	0.3	7 646	39.9
Post and telecommunications	2.7	130.7	29.6	27.8	1.7	11 466	39.1
Banking and Insurance	0.4	123.3	6.2	2.0	-	11 975	36.4
Medical services	0.5	126.0	32.0	30.6	0.5	10 295	34.2
Other industry	14.1	97.6	72.5	17.9	6.6	13 249	38.1
Other services	3.9	102.8	29.7	7.1	0.5	9 935	33.2

Sources: Foreigners: Bundesministerium für Soziale Verwaltung, Forschungsbericht aus Sozial- und Arbeitsmarktpolitik, nr. 9, Ausländische Arbeitnehmer in Oesterreich, 1985, p. 244. Employment: Oesterreichisches Statistisches Zentralamt, Statistisches Handbuch für die Republik Oesterreich, 1982.

MIGRANTS AND THE LABOUR MARKET: THE AUSTRALIAN EVIDENCE

Glenn Withers

I. INTRODUCTION

The relationship between migration and the labour market is crucial in determining public and official attitudes toward migration. In this chapter an economic analysis of that relationship is provided. The chapter examines two basic issues: the impact of migrants upon the labour market and the impact of the labour market upon migrants. The first issue addresses, among other things, the concern sometimes expressed that migrants merely add to unemployment during periods of recession; the second issue encompasses the concern also expressed that migrants may form a permanent, segmented and disadvantaged under-class in the labour market.

Evidence on these matters is drawn from Australian experience, but it is felt that the economic modelling and analysis used is nevertheless of reasonably wide application. Moreover, it is clear that the convergence of immigration experience between the post-war European receiving countries and the traditional receiving countries of the New World makes the Australian evidence less remote than it might have been in the past. European immigration has become much more permanent than seems to have been envisaged, and hence it is now more similar to the Australian settler migration. At the same time, Australian experience has diversified, with types and sources of migrants not unlike those of the European receiving countries.

Of course, other "New World" experience, notably in North America, has been parallel to that of Australia. But Australian immigration has been larger than North American relative to population in the post-war period, it has been more at the forefront of national consciousness and it is less complicated by illegal migration. For these reasons Australia has provided an excellent natural experiment in liberal settler-oriented immigration and policies, and associated analytic research has responded to this experience in recent years.

It does not follow that Australian findings will necessarily carry across to past or future experience of other countries or to policies elsewhere. Differences must always be allowed for. But, as Kenneth Boulding once said, "If it exists, it is possible". This dictum is worth bearing in mind in considering the lessons from experience with settler migration policies.

Fortunately, the amount of serious economic research on economic aspects of immigration is now rich in Australia, and there is a pleasing convergence or "robustness" of its findings across alternative methods and data sources. It is to this research that the paper now turns.

II. EMPLOYMENT AND UNEMPLOYMENT EFFECTS OF MIGRATION

A natural rate of unemployment

One common view in the past amongst Australian economists was that immigration increased labour market flexibility and improved the process of job matching. This meant that immigration was seen as reducing frictional and structural unemployment, presumably as a result of the greater mobility of new settlers and their willingness to accept jobs not desired by residents. Australian economists such as Hughes (1975) and Gruen (1976) have expressed this view and Milton Friedman, when visiting Australia, also indicated his belief that reductions in migration levels would increase the natural rate of unemployment. However, while commonly expressed, this view was for a long time subjected to little serious empirical testing. This changed with studies by Harper (1980) and Warren (1982). Both authors developed basic unemployment-vacancies models in the Dicks-Mireaux and Charles Holt tradition and augmented their estimating equations with migration variables to examine for structural shifts in the unemployment-vacancies relationship. Harper concluded that reductions in migration did increase the natural rate of unemployment. Warren concluded precisely the opposite. Both studies, however, suffered from major specification weaknesses in their representation of migration. Harper measured migration as assisted migrant arrivals, which neglected the countervailing influence of departures; he also neglected unassisted arrivals. Warren used only a dummy variable representing periods of "high" and "low" immigration and he excluded post-1973 data, missing the important stagflation years.

Re-estimation has been undertaken of Harper and Warren, retaining their specification and measurement except for improved migration measurement. Using alternative measures of permanent and long-term arrival rate, permanent and long-term net migration rate and net migration rate, all movements, it was found that the natural rate of unemployment was not affected by migration over the period. Details of re-estimation are given in Chapman, Pope and Withers (1985).

Upon reflection this conclusion should not be too surprising. There is evidence that workforce mobility in Australia is amongst the highest for OECD countries -- this is found across a number of mobility indicators, such as average duration of current jobs [OECD, Employment Outlook, September 1984]. It may be that Australia had the highest job mobility of any OECD country in the 1970s and early 1980s. Moreover, there is found to be little average difference in mobility between migrants and Australian-born, particularly after the early years of arrival. In the early years English-speaking migrants show greater than average mobility and non English-speaking migrants show less than average mobility. But even these differences are highly correlated with occupation and education, and when these factors are controlled for, along with years of residence, no significant differences remain. In looking at the stock of overseas-born versus Australian-born, the Australian Bureau of Statistics (ABS) Survey of Labour Mobility finds no statistically significant difference even in raw averages as between the groups, in terms of number of jobs held over common periods of residence. At the same time it is found that, while migrant geographical mobility is actually higher for relocation within metropolitan areas, it is considerably lower for rural-urban, inter-metropolitan and inter-state movements (except for very recent immigrants). This is not to say that important micro-flexibilities may not have been enhanced in many instances by migration. On balance, however, there seems not to have been an overall improvement in job-matching.

Aggregate unemployment and employment

Economists' discussions of whether or not immigration enhances labour market flexibility may seem otiose compared with concern by many that large-scale immigration during recession will merely increase aggregate unemployment. The issue of a fine matching of unemployment and vacancies may seem germane when these are roughly equal or if vacancies exceed unemployment, as was approximately the case for much of Australia's post-war experience. However, in common with the rest of the OECD, the post-1974 period saw a substantial reversal of the earlier experience, so raising seemingly different issues. In a climate of considerable aggregate unemployment and few vacancies, the view became strongly expressed in Australia that large-scale immigration in such conditions was bound to be harmful, a view that was forcefully articulated by the union movement. The worry was, and still is, the apparently "obvious" one that immigration merely adds to labour supply so that, during recession, migrants will be unable to find work or else will displace existing workers in employment.

To the thoughtful economist two things need to be said about this view. The first is that it assumes at least in part that the labour market is "fix-price", i.e. wages are rigid or "sticky". In a labour market characterised instead by flexible wages, the labour supply shock could be accommodated by wage movements. This issue will be addressed directly in the next section. The second point is that immigration represents not only an addition to the workforce and hence capacity real output, but also to aggregate expenditure, by virtue of the migrants' own expenditures and the industrial and social expenditures undertaken because of them. Whether a given migration flow is expansionary or deflationary then depends upon whether that net inflow adds more to demand than to supply, and the consequent accommodations in the labour market to this impact.

The nature of this net outcome has been given major attention in Australia in recent years. In a study of the South Australian labour market, Harrison (1984) concluded that there are "a priori grounds for believing that the short-term effect of immigration is to boost (rather than to depress) job opportunities for residents. However, any such effect is likely to be trivial relative to the effects of monetary and fiscal policies" (p. 66). Harrison's approach was developed more formally by Chapman and Norman (1985), who showed that the impact of immigration on resident job prospects can be evaluated in terms of the following condition for local employment benefit:

$$\frac{k}{p} > \frac{v}{u} \qquad [1]$$

where k is the employment multiplier
p is the labour force participation rate of immigrants
v is all job vacancies
u is unemployed residents.

This says that if the ratio of employment generated by migrant expenditure to migrant labour force involvement is greater than the prevailing ratio of vacancies to residents' unemployment, then residents' employment prospects will improve. It follows from [1] that at higher levels of unemployment, and with k and p given, an immigration increase will increase resident job prospects during recession. But k and p may not be exogenous, as assumed by Chapman and Norman, so that the issue cannot be resolved in purely *a priori* terms, with some casual empirical support, which is where both Harrison and Chapman-Norman leave it.

Nor does the more thorough empirical evidence discussed above from the natural rate approaches to migration and employment resolve the matter. It is eminently reasonable to believe that not all unemployment is search and that significant "rationing" effects occur within the labour market -- whether of classical or Keynesian origins. Indeed if one looks closely at the econometric stability properties of the natural rate equations discussed above, it is evident that they are highly sensitive to specification and data period and measurement [Chapman, Pope and Withers (1985)]. This instability suggests the possibility of severe specification error, such as would arise from neglect of cyclical unemployment.

In a recent study of Australian aggregate unemployment, Trivedi and Baker (1982) found that empirically there was nothing in natural rate models which was not accounted for by a rationing model, and that "all formulations in which a non-clearing labour market is postulated and the effects of an exogenous real-wage or job-availability are incorporated explain the behaviour of unemployment much better" (p. ii). Trivedi-Baker's preferred specification incorporated terms for both frictional-structural and cyclical unemployment. But they did not include a migration variable in their analysis. If their model is re-estimated for their data period of 1964.1 to 1982.1, with alternative migration variables added and tested, it is found that increased migration does not contribute to increased unemployment. Indeed the relationship is consistently negative and, for some definitions of migration, also statistically significant. The relationship is also found to be stable. As Harrison speculated, real wage and job opportunity factors prove to be much more significant in explaining unemployment levels than is migration. Table 1 summarises the evidence; details of the data and estimation are given in Withers and Pope (1985a).

Of course suspicion can linger that models based on theoretical conceptions can artificially constrain empirical outcomes by prior assignment of endogeneity. Equally it can be argued that the effects of migration operate indirectly through other included variables such as real wages and capacity utilisation, so that a separate migration variable is really only testing for structural unemployment effects. To avoid problems of this kind, non-structural analysis using notions of Granger-causality has been proposed [Granger (1969); Sargent (1981)]. If such methods are applied to Australian unemployment and migration data using bivariate vector auto-regression, the results reported in Table 2 are obtained. It is found that migration clearly responds to unemployment. There is also some evidence that migration reduces unemployment, though this relationship is not robust over all tests. But in no case is there any evidence of a statistically significant impact of migration on increasing unemployment. Full details of the estimation underlying Table 2 are given in Withers and Pope (1985a, b). It is worthy of note that the strongest results in Table 2 actually relate to host country unemployment as a major cause of migration, a result also repeatedly affirmed in the established economic history structural literature [e.g. Layton (1984)].

Overall, the burden of the evidence reviewed and presented is that migration has not caused any net increase in aggregate unemployment in Australia in the post-war period. The robustness of this finding across a range of studies using different methods, measurements and data periods is impressive. This finding includes the recessionary period since 1974 and applies despite the changing composition of migration over the post-war period. The experience during recession includes several periods of high migration, including inflows of up to 119 000 permanent settlers per annunm and 128 000 net migration (permanent and long-term movements) as experienced in 1981-82. What would occur for substantially larger intakes or for even more dramatically changed composition naturally cannot be ascertained from past experience. But in the past migrants have created at least as many jobs as they have occupied.

Wages

The work by Trivedi and Baker indicated a substantial amount of rationing as an appropriate characterisation of the operation of the Australian labour market. This is not inconsistent with some impact of immigration upon wage levels; it merely denies complete or quick market clearing via price. A further cause of concern for the union movement might be some worry that not only might migrants take jobs -- found above to be unsubstantiated in aggregate -- but migrants might compete down wages or other employment conditions. Indeed the findings reported in the previous section, while showing that migration may have reduced unemployment, were neither strong enough nor large enough to deny a potentially important role also to wage movements in response to immigration.

To analyse historical wage determinants, the basic economic approach is to use the augmented Phillips Curve, which represents the dynamic adjustment process of nominal wages to equilibrium and desequilibrium phenomena. The general formulation of the short-run Phillips Curve, applicable to a variety of institutional contexts, relates the rate of change of nominal wages (w) to

Table 1

IMMIGRATION AND UNEMPLOYMENT: A RATIONING MODEL APPROACH
1964.1 TO 1982.1

Migration measure	Net migration rate	Permanent and long-term net migration rate	Permanent and long-term arrival rate
Constant	3.7004 (4.6368)	4.3006 (4.8314)	4.2363 (5.0297
Real wages (-1)	2.6100 (5.4538)	2.5448 (5.3635)	2.8424 (6.0305)
Wage change (-1)	1.1308 (2.6109)	1.2211 (2.8233)	1.2474 (2.9062)
Unemployment rate (-1)	0.6110 (10.628)	0.5819 9.8160	0.5621 (9.1682)
Capacity utilisation	-4.7152 (-5.4972)	-5.2331 (-5.7205)	-5.1520 (-5.8775)
Real unemployment benefit	-0.0046 (-0.8452)	-0.0051 (-0.9612)	-0.0072 (-1.3143)
Migration	-0.0001 (-1.2592)	-0.0003 (-1.8302)	-0.0004 (-2.1039)
Demand dispersion to 1972.4	0.0333 (1.1390)	0.0296 (1.0236)	0.0344 (1.2121)
Demand dispersion from 1973.1	-0.0047 (-0.1577)	-0.0064 (0.2157)	-0.0030 (-0.1044)
First quarter dummy	-0.3025 (-6.5150)	-0.2582 (-8.6729)	-0.2634 (-8.8900)
Second quarter dummy	-0.2422 (-8.3595)	-0.2479 (8.8327)	-0.2633 (-8.9525)
Third quarter dummy	-0.0744 (-2.5523)	-0.0641 (-2.1623)	-0.0694 (-2.3964)
Adjusted R^2	.99	.99	.99

Source: Withers and Pope (1985a).

Table 2

GRANGER CAUSALITY TESTS: MIGRATION AND UNEMPLOYMENT CHANGES

	Dependent variable	Causal variable	Causal lag	Test statistics			
				F	W	LM	LR
a) 1861-1984, annual							
	URC	NMR	0-3	0.45	1.42	1.44	1.43
	NMR	URC	0-3	2.50*	7.60*	8.09**	7.78**
b) 1907-84, annual							
	URC	NMR	0-2	3.80**	11.14**	13.00***	12.02***
	NMR	URC	0-2	7.65***	19.25***	25.56***	22.11***
c) 1946-84, annual							
	URC	NMR	0-2	4.77**	11.79**	16.90***	14.04***
	NMR	URC	0-2	7.41***	15.70***	26.28***	20.09***
d) 1948.1-1982.3, quarterly							
	URC	NMR	0-6	1.82	15.78*	14.02	14.86*
	NMR	URC	0-6	11.16**	96.50**	54.65**	71.65**

Sources: Withers and Pope (1985a, b).

Notes
* significant at .10 level
** significant at .05 level
*** significant at .01 level.

URC = unemployment rate proportionate change
NMR = net migration rate
W = Wald Statistic
LM = Lagrange Multiplier
LR = Likelihood Ratio.

a measure of post or expected price inflation (p), the unemployment rate (u) and a vector (x) of other relevant variables:

$$w_t = a + b\, p_t + c\, u_t + d\, x_t + e_t \qquad [2]$$

Recent work at the OECD [Coe and Gagliardi (1985)] has examined the application of this formulation across the range of OECD countries in the post-war period, though no specific consideration was given to migration as a wage determinant. But in a country such as Australia there is perhaps good reason for reviewing the possibility of an independent role for immigration in wage determination.

Incorporation of a separate migration term in the basic augmented Phillips Curve adds nothing to explanation, as is seen in Table 3, using annual data for the period since 1913 in Australia. Several variants of the wage equation for Australia are estimated, including that preferred for Australia in the OECD study by Coe and Gagliardi (1985). In that study the preferred equation on post-war data had a two-year (present and past) moving average representation of price expectations and a "hysterisis" specification of unemployment. Productivity terms were not found to be significant and so are excluded. Coe and Gagliardi did not include a direct union or strike representation of bargaining influences; they tested a profit share measure which was found not to be significant. A direct strike measure shows a little more significance.

Table 3

NOMINAL WAGE CHANGE DETERMINATION: AUSTRALIA, 1913-81

Data period	Basic augmented Phillips Curve		OECD model	
	1913-81	1946-81	1913-81	1946-81
Price expectation	0.4947 (4.28)	0.6602 (4.64)	0.7160 (5.18)	0.9010 (5.02)
Unemployment	-0.0036 (-2.33)	-0.0052 (-1.00)	-0.0026 (-1.10)	-0.0176 (-1.28)
Migration	0.9527 (0.65)	2.6599 (1.50)	1.1902 (1.08)	0.9470 (0.46)
Wage change			0.2555 (2.79)	0.1643 (1.14)
Strikes	0.0001 (2.16)	0.0001 (2.28)	0.0001 (1.75)	0.0001 (1.47)
World War I dummy	-0.0488 (-2.14)		-0.0346 (1.96)	
World War II dummy	0.0005 (0.03)		0.0050 (0.41)	
Intercept	0.0417 (2.22)	0.0150 (0.66)	-0.0006 (-0.05)	-0.0012 (-0.07)
R^2	0.57	0.61	0.75	0.77
d.w.	1.77	2.21	2.02	1.89

Notes: The dependent variable is rate of change of nominal wages.
't' statistics are in parentheses.

The data for the analysis in Table 3 came from Withers, Endres and Perry (1985). Nominal wages are defined as gross annual earnings per worker in manufacturing; price is measured by the GDP implicit price deflator; the unemployment rate relates to total persons seeking work; migration is the net migration rate (total arrivals minus total departures, as a percentage of population); strikes refer to total working days lost per worker due to strikes. The migration results in the equations estimated were insensitive to various alternative measures of these variables available from the data source cited. The results were also insensitive to equation re-estimation by instrumental variable methods which were investigated to take account of a possible endogeneity for strikes, i.e. strikes may depend upon wage change as well as *vice versa*.

Overall it is clear that no direct relation can be established statistically between net migration and nominal wage changes, though indirect transmission of a migration influence upon nominal wages is nevertheless possible. Since it was established above that migration may reduce unemployment, this in turn can influence nominal wages to the extent that unemployment itself is a significant explanator of those wage movements. However, at the same time migration could also impact upon commodity prices.

Norman (1985) did formally examine the effect of migration upon price growth using annual Australian data from 1960 to 1984, and he concluded that "the immigration variable contributes nothing worthwhile to the explanation of inflation in Australia since the 1960s" (p. 291), a result also found earlier for both nominal wages and prices for the post-war period up to the early 1960s by Kmenta (1966). In each case, however, the indirect contribution of migration to either nominal wages or prices was not allowed for. Only direct influences were examined.

Given the difficulty of identifying separate influences of migration upon either nominal wages or prices a further test is to examine the joint impact as embodied in real wages. This real wage issue has traditionally been more discussed by international economists than has the immigration -- unemployment linkage. There is little consensus, however, on the nature of the relationship: some have seen a depressing effect of immigration on the real wage through its labour supply and/or capital-labour ratio consequences [e.g. Chiswick (1982)], but this could be counterbalanced by the expenditure effects discussed above. Also in the medium term other factors such as scale economies, migrant selection bias and savings effects could play a role and facilitate a rise in the real wage, as argued by Kindleberger (1967), Simon (1982) and others.

Early work by some distinguished Australian economists outlined the qualitative issues later traversed in the international literature [Bensusan-Butt (1950); Corden (1955); Karmel (1953); Arndt (1964)]. More recently, quantitative Australian work has been performed which addresses this real wage issue. Two major past studies exist, using the two main competing large-scale multi-sectoral computable models of the Australian economy. Work using the Institute Multi-Purpose Model (IMP) was published in 1979 [Brain, Smith and Schuyers]. More recently the ORANI model was used to provide an updated alternative analysis of similar issues [Baker (1985)]. In both cases a broad range of issues was addressed in order to assess the effects of alternative migration scenarios on the medium-term structure of the Australian economy: on the demand side, the implications of migration for the level and composition of domestic and external expenditures were closely examined, and on the supply side, the consequences for the level and composition of the labour force and the repercussions for production through technology and investment were reviewed via the models. Thus neither model neglected to analyse both blades of the Marshallian scissors.

Moreover, while the models differ significantly in construction and in the simulations imposed for the relevant studies, the directions of change projected were the same for most indicators, although magnitudes did vary somewhat. As regards the real wage, both simulations suggested a real wage increase associated with high-immigration scenarios. But this result, and its magnitude, depended crucially upon three things. These were:

a) Economies of scale in production;

b) Capital availability in response to increased return on capital;

c) Wage adjustment to maintain a constant unemployment rate.

The simulation results are illuminating because they allow us to understand the crucial determinants of the real wage outcome after allowing for the full complexity of interaction within an economy subject to major migration changes. However, the three crucial determinants just listed are also a measure of ignorance -- for each is a matter of assumption in the models. Strong empirical guidance as to reasonable magnitudes was not available for the simulations.

It is therefore of relevance to examine directly the real wage and migration relationship in a wholly empirical manner, using the causality technique previously applied to the unemployment-migration relationship and found there to be supported in its results by direct structural analysis. Application of the same approach to Australian real wage and immigration data (quarterly post-war and annual historical) is summarised in Table 4. The table distinguishes different historical periods and, for the post-war period, provides both quarterly and annual estimates. For those periods with a large number of observations, the causal lag is extended to ten periods in order to examine for both short-run and medium-term effects on real wages. The longer-term perspective seems more relevant here than in discussion of unemployment or nominal wage impacts. Only the annual post-war data provides any support at all for a statistically significant impact of migration upon real wages. But here the tests are inconsistent and the underlying coefficients on individual lag terms are of alternating sign. The same applies to the even weaker results for an effect of real wages upon migration.

The overall conclusion must be that the hypothesis of no significant statistical relation between real wage changes and migration levels must be accepted, both short-term and medium-term. While this seems a weak result it does indicate that no significant negative effect of migration on real wages can be discerned, contrary to some popular fears. At the same time the absence of reverse causation from real wages to migration is at one with the structural literature which has found it difficult to establish a robust relation from real wages to migration [Layton (1983)]. This is not to say that international differences in real incomes may not be important, only that migration is not sensitive to quarterly or annual variations in those real incomes.

Bringing together the employment and real wage results, it can be concluded that a migration policy and programme on the Australian pattern can enhance employment without retarding real wage growth. Stability tests indicate that this applies even during a period of recession.

Table 4

GRANGER CAUSALITY TESTS: MIGRATION AND REAL WAGE CHANGES

	Dependent variable	Causal variable	Causal lag	Test statistics F	W	LM	LR
a) 1907-82, annual							
	RWC	NMR	0-5	1.10	8.45	7.53	7.97
	NMR	RWC	0-5	0.78	5.95	5.47	5.70
	RWC	NMR	0-10	1.12	17.26*	13.68	15.33
	NMR	RWC	0-10	0.70	10.77	9.26	9.97
b) 1946-82, annual							
	RWC	NMR	0-5	1.63	17.30***	10.97*	13.66**
	NMR	RWC	0-5	1.18	12.46*	8.80	10.42
c) 1948.1-1982.3, quarterly							
	RWC	NMR	0-5	1.29	8.96	8.35	8.65
	MMR	RWC	0-5	1.46	10.07*	9.30*	9.68*
	RWC	NMR	0-10	0.99	12.39	11.21	11.78
	NMR	RWC	0-10	0.88	11.15	10.12	10.67

Sources: Withers and Pope (1985a, b).

Notes: * significant at .10 level
** significant at .05 level
*** significant at .01 level.

RWC = Real wage proportionate change
NMR = net migration rate
W = Wald Statistic
LM = Lagrange Multiplier
LR = Likelihood Ratio.

Composition effects

The effects of migration so far examined are aggregate effects. But these outcomes may mask some quite divergent patterns of impact in particular labour markets. So long as the labour force is not homogeneous and immigrant-associated expenditure patterns vary by sector, it is almost inevitable that particular groups will be relatively disadvantaged by immigration. The policy concern in equity might be that those likely to be disadvantaged could be amongst those who are already the least well-off. As a matter of logic, this concern can arise in terms of *relative* deprivation; it may or may not apply in terms of *absolute* deprivation. The evidence from the Australian simulation models discussed above is that findings of increases in GDP per capita in response to higher migration are more robust to sensitivity analyses than is a real wage or productivity effect. This is because of the higher workforce participation likely from a higher migrant inflow (1).

What is the economic evidence on compositional effects in Australia? The economic logic of equation [1] above has been extended to a simple two-sector labour market model: white collar and blue collar [Chapman, Pope and Withers (1985)]. Unemployed residents seeking jobs in a particular sector will be more likely to be advantaged from immigration, *ceteris paribus*: the greater is the initial level of immigrant savings or borrowed funds that are spent on goods and services from that sector; the greater is the immigrant average propensity to consume from current income on goods and services from that sector; the more depressed is the labour market of that sector, since immigrants are then more likely to improve the particular vacancy to unemployment ratio; and the less is the likelihood of immigrants securing jobs in the particular market.

But the underlying two-sector model embodies a segmented labour market assumption. To the extent that greater occupational mobility than that applies, then strong conclusions cannot be drawn. Chapman *et al*. use descriptive data on the level of initial immigrant expenditure and its pattern, the occupational mix of the immigrant group, and the occupational mobility of immigrants to support the approach. But the empirical content is illustrative only. More systematic is the use made in the ORANI simulations of these same factors to determine the pattern of employment consequences of its alternative migration scenarios [Baker (1985)].

Broadly, the ORANI simulation finds that the pattern of migrant expenditures and worker characteristics for higher migration levels (e.g. 50 000 net migration gain per annum) over the medium term (e.g. by 2001) produce substantial relative employment gains in the professional, skilled-metal and electrical and skilled-building occupations. Rural workers and other skilled workers gain relatively least, followed by semi and unskilled workers (both blue collar and white collar).

Two key assumptions colour the ORANI results. The first is that the composition of net migration embedded in the simulation is based on the experience of the early 1980s, and it would have been helpful to have looked at other policy options as regards migrant composition. The second assumption is that, contrary to the ORANI aggregate analysis where a flexible real wage was imposed, for sectoral analysis relative wages are taken as fixed. The results should therefore be taken to read that additional relative demand for labour may be reflected either in an increase in relative employment and/or an increase in relative real wages. But broadly it seems true that professional and skilled workers would gain most from higher levels of migration in Australia, if that migration followed the intake composition of the early 1980s (a period of high immigration in the context of the post 1974 recession). The policy significance of this in turn depends upon the degree of job segmentation and labour market mobility. In Australia there is evidence that these are relatively low, as discussed above in relation to mobility and as will be discussed further in the next section in relation to migrant labour market experience.

Thus adjustment should not cause serious difficulties for most migrants and local workers beyond a period of transition. Care should nevertheless be taken with entry criteria. In particular, a small minority of migrants, notably those lacking work skills and an ability to acquire English, constitute a disproportionate share of the long-term ("hard-core") unemployed in Australia [Chapman and Miller (1984)].

Maximisation of economic benefit also requires close attention to composition. The higher the likely average productivity of workers, the higher the average long-run benefit to Australia in real income growth. This will apply irrespective of current shortages or surpluses in the particular skill areas, given the high mobility discussed. Of course, social and humanitarian motivation may require variation to this economic rule.

III. MIGRANTS IN THE AUSTRALIAN ECONOMY

The previous section focused on the impact of migrants upon the economy, particularly as regards the position of existing residents. Equally important are issues of the economic position of migrants in their new country of residence.

There is a popular view in the sociology and political economy literature in Australia that immigrants are subject to prejudice and discrimination, and that this leads to a migrant-based secondary labour market where economic rewards are less, working conditions are poor, and unemployment is endemic. Such a segmented labour market is said to be based on cultural dissimilarity of the immigrant group to the receiving society and can lock both immigrants and their children into a culture of relative deprivation and poverty. Such segmentation is said further to produce a particularly adverse economic position for migrants during recession. And certainly there is a substantial and valuable tradition of descriptive research on the economic status of migrants in Australia which shows that, while British Isles migration to Australia evinces little evidence of producing any "underclass", data on migrants from the Mediterranean basin indicate clear evidence of lower occupational attainment, lower income and higher unemployment. Similar problems are also claimed to be observable for more recent Third World immigration to Australia, especially Asian refugees.

However, such descriptive differences need not imply segmentation or discrimination. It is necessary to ask whether migrants differ from natives in their work-relevant characteristics -- it may be that some migrants get poorer jobs because they are less well educated, or have difficulties with English, and the like. To see if migrants are treated fairly in the labour market it is essential to control statistically for such differences.

An early study by Blandy et al. (1977) examined job mobility and found considerable immigrant mobility across job-skill categories, both within and between generations, so bringing into question simple characterisations of labour markets as segmented. Tighter analysis followed which focused on earnings, occupational attainment and unemployment experience, and which used standard multi-variate earnings function estimates from the human capital wage determination model. The basic estimating equation provided for multi-variate regression analysis by the human capital approach is

$$\ln W_i = a + b\,S_i + c\,EXP_i + d\,EXP_i^2 + eZ_i + \epsilon_i \qquad [3]$$

where, for individual i:

$\ln W_i$ is the natural logarithm of hourly earnings
S_i is years of schooling
EXP is years of work experience
Z_i is a vector of other wage determining variables
ϵ_i is a random error term.

This analysis seeks to explain earnings or unemployment in terms of the specified skills of the workers (S, EXP) and of their relevant socio-demographic characteristics (Z). Two distinct approaches have been taken. One, represented by Mulvey (1983) in a study of male workers, includes birthplace variables as additional variables in a common earnings function along with a host of other individual characteristics such as geographic location, union membership, schooling, experience and marital status. Mulvey finds a wage advantage of 2-6 per cent associated with English-speaking countries of birth, but with a greater benefit to British Isles birth than Australian birth. However, this approach constrains returns on all other coefficients to be equal across birthplace groups. This should be subject to examination, as in the second approach to be discussed, because it is not clear *a priori* that migrants and native-born would receive returns to all skills adjusted uniformly down by a birthplace factor.

The second and more common approach therefore estimates separate functions for different birthplace groups. This means that the effect of differing endowments and differing returns to endowments can now be clearly distinguished. A useful technique is to estimate separate birthplace equations and then impose a given set of endowments and examine for predicted earnings differences. From 1973 Poverty Survey data, Haig (1980) found by this approach that immigrants' earnings would have been 3 per cent higher than they were if they had received the same returns to endowments as Australians. Chapman and Miller (1983) found from 1976 Census data that Australian-born persons received 3-6 per cent higher returns on education and experience than did migrants, on average. Haig, however, used an endogenous variable (hours worked) as an explanator which engendered serious mis-specification in his earnings function, and Chapman-Miller did not differentiate sub-groups of the overseas-born. Studies by Stromback (1984) and Chiswick and Miller (1985) overcame these limitations and had the further advantage of using 1981 Census micro-data. Chiswick and Miller analysed only adult males and concluded that "the overseas-born have 5 per cent lower incomes than the Australian born overall, and 7 per cent lower incomes when other things are the same" (p. 17).

The studies outlined have all consistently found a 3 to 7 per cent earnings disadvantage to overseas-born males, after allowing for endowment differences, and Stromback found a greater disadvantage for overseas females. The pattern within the overseas-born consistently demonstrated a particular relative disadvantage for Southern European migrants. Is this evidence of discrimination? Before reaching that conclusion, as some early studies did [e.g. Haig (1980)], it is important to recognise that the results reported have distinguished migrants from natives only by birthplace and by pecuniary returns to skills. But these skills and abilities are assumed homogeneous (e.g. years of education, years of job experience, language facility), although to impose homogeneity of this form is clearly inappropriate, since some essential job productivity-related elements of the migrant work experience may thereby be suppressed. Missing variables address the potentially important issues of transferability of skills and of communication.

Studies of occupational attainment or status by Broom et al. (1980) and Kelley and McAllister (1984) found that if language ability was added to experience and education in such multi-variate analyses, residual differences narrowed further, such that few differences remained discernible between natives and immigrants from Eastern Europe, North Western Europe and the British Isles. But educated immigrants from Mediterranean lands were still quite different: they gained less from their education than all other groups, so that those with above average education obtained substantially worse jobs than their seeming educational peers.

However, if location of education and experience were also differentiated it was found that it is education in Southern Europe that distinctively is rewarded less than other years of education. By contrast, education acquired in Australia by Mediterranean born was rewarded equally, and occupational attainment of child migrants from Mediterranean countries was barely distinguishable from Australian-born. Second generation attainments were quite indistinguishable. Thus Evans and Kelley (1984) concluded on the basis of their study of males aged 15-64, that:

> "the Australian labour market treats immigrants the same way as it treats native-born Australians with similar education, labour force experience and English skill. There is little or no evidence of discrimination against Mediterranean immigrants or any other immigrant groups .... the second generation (also) partakes in the same occupational attainment process as do longer established Australians. If you were born on Australian soil, it does not matter where your parents were born" (pp. 31, 33).

Evans (1984) also finds similar results for female workers, and so roundly rejects notions of a secondary labour market or an emerging "underclass", and argues that the "Australian labour market seems nearly blind to ethnicity" (p. 1087).

Chiswick and Miller (1985) reach a similar conclusion. The 7 per cent residual difference between overseas-born males and Australian-born males that they estimated, and which was reported above, was their own estimate when ignoring the migration adjustment process. Once measures for these factors are incorporated, Chiswick and Miller argued that it is seen that the residual largely reflects differences in international transferability of skills. Certainly additions to the earnings function of language skills and locational variables for education and job experience basically support this. Chiswick and Miller also add a period of residence variable which, even after controlling for language and location of skill acquisition, provides further explanatory power, closing the gap almost completely. The interaction between these measures of migrant adjustment remains to be more clearly defined, but the general conclusion is robust: "immigrants in Australia have adjusted fairly well to their new labour market and they do not suffer inordinate disadvantages" (p. 18). As was the case for Evans and Kelley, Chiswick and Miller also conclude that analysis of second generation Australians reveals a surprising homogeneity of labour market experiences: "there is virtually no difference in the means of the explanatory variables or the partial effects on income of these variables" (p. 18).

Analyses of unemployment levels and unemployment duration, instead of earnings or occupational status, have similar findings [Inglis (1984); Inglis and Volker (1985); Aungles and Stewart (1984); McAllister (1985a)]. Perhaps the most thorough study to date is from the Australian Institute of Multicultural Affairs (1985) which concludes that, in relation to unemployment experience,

> "The regression analysis also indicates that support for the existence of a 'birthplace' effect is limited. In other words, once the effects of English language proficiency and period of residence have been taken into account, variations between the overseas-born and Australian-born can largely be accounted for by variations in factors common to both groups. These include years of labour force experience, technical and trade training, and obtaining manual or non-manual work" (p. 60).

IV. THE MIGRANT GAIN

In the preceding section it was concluded that, even during the post-1974 recessionary period, migrants experienced no major differential treatment compared to Australian-born, when statistical adjustment is made for differences in job-related skills. The criterion in that discussion was the economic success of migrants vis-à-vis the locally-born.

Another criterion is how migrants fare compared with their country of origin. A broader point encompassing this consideration can be made: it can be argued that the conventional real GDP per capita measure is inadequate as a guide to inter-temporal welfare change for countries of net immigration, because the conventional inter-temporal comparison made is that of real incomes of present residents relative to the real incomes of residents in the country in each previous time period. However, the resident population changes over time not only by natural increase, but by arrivals and departures across nations. The real income trajectory of a locally-born continuing resident is reasonably proxied by the growth path of that country's average income -- the real income trajectory of a migrant is not.

What is required for each country is additional knowledge of income patterns of migrant arrivals prior to arrival. No information is provided in the conventional measure on income levels of such immigrants prior to their arrival. Yet international income differences must provide an important explanation for international migration, and assessment of the welfare improvement provided by an economy to the present residents of that society should take account of previous real income, wherever derived. The potential significance of the distinction being made can be appreciated if Australia's relatively low per capita GDP growth in the post-war period is compared to that of Japan. It is well known that an important explanator, in the accounting sense, of the high Japanese growth rate is the internal migration of workers from low productivity agriculture into high productivity manufacturing. For a country of new settlement and low aboriginal population, such as Australia, external immigration takes the place of internal migration. Yet the previous productivity and incomes of Australia's immigrants are not reflected in Australia's recorded GDP, unlike the Japanese situation with its internal migrants.

The present writer has recently developed an alternative measure of welfare growth [Withers (1985)]. A new measure of present resident economic welfare (PREW) is defined which allows for migrant income experience in the source country prior to immigration. Subsidiary measures follow which contrast the position of locally-born continuing residents and migrant residents. (These are weighted components of the present resident economic welfare concept.) In addition, a measure of income foregone by migrants can be calculated which permits a contrast of post-arrival host country incomes with concurrent income patterns in the source country.

Table 5 provides a summary comparison of these alternative measures of economic welfare for the case of Australian residents in selected historical periods. The basic measures are GDP per capita and PREW. The subsidiary measures are migrant economic welfare (MEW) and migrant opportunity cost (MOC). GDP per capita measures real income growth for locally-born continuing residents; PREW measures the average growth rate of real income for end-period Australian residents. MEW measures the growth rate of real income for end-period migrant residents only; MOC measures the growth rate of real income for migrant residents had they remained in their source countries. The migrant measures are weighted by the migrant numbers from each country to Australia. The growth rates are expressed in constant prices and the calculations for the 1948-81 period use purchasing power parity and not simple exchange rates.

Australian real income growth performance is seen to be substantially higher by the PREW measure than by conventional GDP per capita measures. The reason is reflected in MEW and MOC. Immigrants to Australia have experienced much higher real income growth by immigrating than they would have experienced, on a weighted average, in their countries of origin. They also experience higher real income growth rates than Australian-born continuing residents. The migrant benefit is reflected in the gap between MEW and MOC. Immigration has given real income growth that is much higher to Australian migrants overall, than to Australian-born and than to source country residents. In compound growth terms MEW was 3.55 per cent and MOC was 1.51 per cent for the period 1948 to 1981.

If the 1981 average gain in per capita migrant economic welfare over migrant opportunity cost is aggregated for the 3 103 million foreign-born residents of Australia in 1981, a total welfare gain of A$ 9.364m is obtained, even ignoring second generation benefits, which represents 7.2 per cent of GDP. This can be viewed as an equivalent to foreign aid whereby overseas-born persons are permitted to relocate in Australia rather than Australia providing them with claims on resources. As such it well exceeds the international foreign aid goal of one per cent of GDP. This is not to say that migration is necessarily more efficient than trade and capital movements which can also be seen as foreign aid equivalents. It is also worth recognising that many of those benefited by migration are from advanced countries (e.g. Britain, New Zealand). However, the welfare gain across the migrant group is clearly very substantial for those individuals.

Table 5

ECONOMIC WELFARE OF AUSTRALIAN RESIDENTS:
ALTERNATIVE MEASURES, SELECTED PERIODS

Period	Alternative measures GDP per capita	PREW	Subsidiary measures MEW	MOC
a) Change ratio (end year/beginning year)				
1860-90	1.43	1.67	2.20	1.47
1900-30	1.08	1.17	1.71	1.15
1948-81	2.04	2.26	3.15	1.64
b) Growth rate (annual percentage compound)				
1860-90	1.20	1.75	2.65	1.30
1900-30	0.26	0.55	1.80	0.45
1948-81	2.20	2.50	3.55	1.51

Notes: 1948-81 uses purchasing power parity not exchange rate basis. All measures are in constant prices.

V. CONCLUSION

What lessons can be learned from the Australian experience with large-scale settler migration? It seems that such migration has not operated to the disadvantage of the host labour economy. Fears that during recession migration would merely add to unemployment or that migration would compete down wages are seen to be unfounded. If anything, there has been a positive net employment benefit and no wage loss resulting from the Australian immigration programme even during the post-1974 era of stagflation. Continuing Australian residents overall have benefited economically in these ways from the continuing migration programme, though there are undoubtedly particular sectors where some disadvantage ensues. The latter refers particularly to those in labour markets already in surplus and where migrants might be more concentrated in their job distribution. The expenditure benefits of the migration are, by contrast, likely to be more broadly diffused throughout the economy.

At the same time, migrants themselves have benefited considerably. Under a settler migration programme that accords equal legal and political rights, it was also found that migrants in general have been treated fairly in the labour market. No significant economic disadvantage for migrants was discernible, once differences in skills were adequately allowed for. And skill distribution itself converges quite rapidly, such that few differences are evident for migrants who arrived as children or for later generations. As Evans and Kelley (1984) have put it, in the Australian labour market the evidence is that "it does not matter whether an individual arrived in the First Fleet or the Last". This is not to say that particular instances of discrimination do not occur. Nor does it deny the possible existence of important elements of prejudice. But it does seem clear that fears of an emerging migrant-based underclass or secondary labour market are unfounded.

Moreover, not only have migrants not suffered local disadvantage to any major extent, but the act of migration has provided for a major real income gain for most migrants, relative to their home country. The evidence is that migrants overall have more than doubled their real income growth in the post-war period by coming to Australia.

This does not necessarily mean that the Australian migration programme itself has been optimal. There may have been much room for further policy improvement -- in particular, the continuing provision of low-wage low-skill labour via immigration may have significantly inhibited structural adjustment by encouraging continuing commitment of resources to low productivity high protection industries [Pope (1982)] (2). Equally, the ready availability of skilled immigrants may have produced the long neglect of Australian industrial training that is only recently being addressed [Withers (1985)]. Particular issues of the level and composition of recent immigration and of directions in post-arrival policy can also be raised [Hogan (1984)].

The dramatic cuts in migration by the Whitlam government from 1972 may have exacerbated the onset of recession in Australia in 1974, and the continued low levels of migration since then seem unfortunate to the extent they are based on what are seen to be misplaced fears of adverse economic consequences. Moreover, the increased dominance in post-1972 immigration of low-wage low-skill migrants will have reduced the economic benefit to Australia and increased adjustment difficulties for residents and new migrants. At the post-arrival level there are economic issues such as the cost-effectiveness of expensive migrant programmes like the Adult Migrant Education Program -- at an annual budget cost approaching $50m, the only available public evidence is that it provides little subsequent work force benefit to participants [McAllister (1985b)]. Numerous other matters could be raised to illustrate the point of potential sub-optimality.

Furthermore, nothing has been said in this paper about the non-labour market dimension of migration. However, the economic successes of the programme revealed by the recent burgeoning of analytic research should also be appreciated. There is some reason to believe that this research has been instrumental in convincing current Labour Party Ministers and leading trade union officials of the merits of a more liberal and economically-oriented immigration programme in Australia, despite continuing stagflation. Recent decisions to increase the size of immigrant intake, to expand skilled labour, employer nominee and business migration, and to review post-arrival services reflect this shift in understanding.

Australia has been one of the major receiving nations for immigrants. The overseas-born proportion of its population is more than twice that of the United States, and its migrants, as well as being numerous, are also increasingly diverse. This large-scale social experiment in legal migration is a fertile field for social analysis. The significant recent Australian research on labour market aspects of immigration dictate the conclusion that a liberal immigration settlement programme can achieve goals of which Mr. Jeremy Bentham would approve: at least in some reasonable approximation, a scheme for the greater happiness of a greater number.

NOTES

1. Gruen (1985) has recently provided a cross-section regression analysis for OECD countries which relates per capita growth rates for GDP to initial income, population growth and capital formation. He finds a weak negative relation from population growth to real income growth. He concludes that "our high population growth rate -- by OECD standards -- has exercised a negative effect on the improvements in our average living standards" (p. 18). This conclusion is premature. Gruen treats population growth as a homogeneous variable, but it is clear that population growth with a substantial migration component is likely to have a different effect on real income growth than population growth from natural increase, which implies many more years of costly non-labour force participation. Taking this into account renders Gruen's results for Australia closer to the real wage-migration results reported above.

2. This is a proposition for which substantial analytical justification can be derived from the "immiserising growth" literature in international economics [Lloyd (1982)].

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THE INTEGRATION OF MIGRANTS: EXPERIENCE, CONCEPTS AND POLICIES

Tomas Hammar and Yngve Georg Lithman

I. ISSUES AND CONCEPTS

Migration-related issues often tend to be treated as if they were autonomous, which can be misleading since many topics of vital importance, for example the schooling of migrant children, raise general questions of considerable social pertinence. Discussions of migrant-related issues should thus be seen as but one aspect of general reflections upon our societies. A broad and multi-disciplinary approach is required particularly when dealing with the integration of migrants in their host countries.

The working and living conditions of migrants are dependent on a variety of factors and can only be assessed within a comprehensive, analytical framework. The following issues appear to be particularly important if the determining factors of the migrants' situation are to be clarified:

i) What are the characteristics of the migrant population under consideration (rural or urban origin, settlers, temporary workers or refugees, legal status, family status, etc.)?

ii) What are the general characteristics of the host society (mixed market economy, welfare state, degree of industrialisation and population density, political decision-making process, etc.) and what general migration policies (policy instruments and policy objectives) are pursued?

iii) What forms of relationship do the migrants retain with their countries of origin (family links, public policies of the sending countries to maintain cultural links, etc.)?

iv) What are the official relationships between sending and receiving countries (multilateral or bilateral co-operation agreements, assisted return and reinsertion programmes, etc.)?

In terms of outcome, the situation of migrants in the receiving countries can best be illustrated by exploring the following issues:

i) What is the situation of migrants with regard to schooling, housing, working life and political participation?

ii) What types of migrant collectivity have emerged, for example immigrant associations or distinct ethnic minorities?

iii) What are the relationships between the migrant population as a whole, the migrant collectivities referred to above, and the majority societies of the receiving countries?

The last issue is the focal point of the integration process. However, the concepts describing the relationships between migrants and migrant collectivities on the one hand and the receiving society on the other are seldom understood in the same way by different authors. The varying usage of terms such as integration, assimilation, acculturation, segregation, and pluralism, not least in political discourse, is often bewildering to the observer.

The concept of minority can be viewed as one form of migrant collectivity characterised by internal interaction and a certain amount of internal division of labour. If, however, one places the focus on the relation between migrants and the larger society, referring to the majority-minority duality, the term minority would then mainly signify an identifiable subsystem, populated by ethnically distinct individuals having limited access to roles and activities central to the economic and political institutions of the society. When discussing minorities one may thus refer either to the internal structure, or to the relations with the larger society.

With regard to many other similar concepts, a common problem is whether they refer to the conditions given at a certain time or to a process. This is perhaps particularly important with respect to integration. In some instances, this term is used to indicate a condition, as in expressions such as "well integrated", "poorly integrated", etc. When reference is made to a process, integration is characterised by the force and rapidity whereby a unit, such as a migrant collectivity, moves in the direction of becoming a part of a whole. But what is meant by becoming a part of a whole? In most instances, when used in the context of ethnic relations, integration does not imply that a minority or other social collectivity disappears. It refers rather to the process whereby units or elements of a society are brought into active and co-ordinated compliance with the ongoing activities and objectives of the dominant group in that society.

This attempt at clarification of various ways of using the integration concept does not state whether the focus should be on the individual or a collectivity. In most instances, however, integration does not describe the situation of individuals, but rather that of categories or groups. A final observation can be made with respect to integration: that it is not thought an appropriate concept to use when there is a conflict between the parties concerned.

In a general sense, assimilation stands for the process whereby something is made an indistinguishable part of a whole, losing all identity of its own. To operationalise the assimilation concept and to put it to meaningful use has proved difficult. In the United States context, it has extensively served as a sort of summary statement about the extent to which members of a category have lost characteristic features, or alternatively have adopted Anglo-Saxon ones. From the beginning, it was strongly related to the concept of the melting pot, but the events of recent decades have served to shift the focus rather to the factors which make ethnic differences become articulated and persistent; i.e. issues of inequality, conflict, power, nationalism, and the like. It may be argued that the linear conception of conflictual, or at least non-antagonistic, relations between different ethnic entities, to be bridged over time (through assimilation), has become just one model, applicable only to a limited sub-set of ethnic relations.

The above discussion has dealt with assimilation as a process and as a phenomenon to study at aggregate level. It should be added that there appears to be an increasing use of assimilation to denote the process whereby individuals make themselves indistinguishable parts of a majority society. It is not uncommon to find statements to the effect that integration is a concept describing the relationships between ethnic groups and a majority society while assimilation is used to define a specific process involving individuals.

Gordon, in Assimilation in American Life (1964), made an ambitious attempt to analyse the position of various ethnic groups and categories in the United States through a multi-dimensional approach to assimilation. He distinguished between seven variables: 1) cultural, 2) structural, 3) marital, 4) identificational, 5) attitude receptional (absence of prejudice), 6) behaviour receptional (absence of discrimination), and 7) civic (absence of value and power conflict). He concluded his study by stating that although a massive adherence to Anglo-Saxon norms and patterns had in fact been achieved, there existed a "structural pluralism" with respect to racial and religious groups, and to some extent also national origin groups.

Acculturation is frequently used synonymously with assimilation, but a more established usage denotes the processes whereby members of an ethnic category/group acquire the habits, thought patterns and other attributes of the members of the larger society. Thus, it has its focus on cultural processes, and only less often is it made to include matters such as the structural relationships between different ethnic groups or categories.

The strong influence of the United States on the conceptualisation of ethnic intergroup relations is also evident in the concepts of segregation and discrimination. These concepts convey the injustices inherent in a system where some segments of the population are denied de jure or de facto access to the social, cultural, political and economic resources of the larger society. In this sense, their counterpart in North American discourse used to be integration, and the battles over integrated versus segregated schools, public transportation, etc., are well known.

Today, the usage of the term discrimination is more complicated. Many migrants face prejudices and discrimination in the work place, in the housing area, in schools, etc. Institutional discrimination and institutional racism refer to processes whereby migrants or members of ethnically distinct categories are denied equal access to the rewards of society, be it education, health or wealth, not only as a result of actions on the part of bigoted individuals, but also because of the historical and social constitution of our societies. For example, methods of operation in an educational system which were established in mono-ethnic settings may acquire racialist or discriminatory consequences in a plural situation.

By positive discrimination is usually meant not particular privileges for an ethnic category, but rather the adoption of special measures, in the absence of which social, economic, educational or political inequalities would persist. The development of positive actions in favour of individuals or groups otherwise subject to discrimination is a reflection of what several observers claim to be an increasingly *plural* character of European states. Sometimes this concept is used simply to denote the existence of several ethnically distinct segments within a society. In other cases, it is utilised with an analytical aim, where the forms of incorporation and interrelationship between the ethnic groups concerned are used to characterise the plural societies in question. In such instances, one may talk, for example, of *balanced pluralism*, where a set of arrangements recognises and legitimises ethnic cleavages and thereby provides for a relative lack of conflict between the ethnic entities. In the context of the European nation states, however, it appears that pluralism is seldom used with analytical ambitions. Instead, it is usually used in a vaguely descriptive manner and with positive connotations. Perhaps it may even be claimed that its use in European discourse is intended more as a denial of chauvinism than as suggesting specific features of a multi-ethnic situation.

II. INTEGRATION AND OTHER OBJECTIVES OF MIGRATION POLICIES

There is a close and mutual dependence between the two main components of any state's immigration policy: regulation of immigration and integration. Any analysis or comparison of integration policies between countries must take into consideration not only such policies themselves, along with pertinent background factors, but must also see them in relation to the regulation of new immigration and the control of established resident aliens, both included here under the term immigration regulation.

All sovereign states reserve the right to determine whether foreign citizens shall be permitted to enter their territory and reside there, and this control of foreign residents may continue until they become naturalised citizens. The conditions to which foreigners are subject during this period of aliens control vary greatly, but in most states it takes several years before foreign citizens are guaranteed that they can not be made to leave the country against their will. By delaying permanent status, countries retain the legal right to repatriate foreign citizens, often including those with many years of residence. Immigration regulation may thus foster a considerable degree of legal insecurity. Furthermore, decisions concerning residence status are often made by administrative authorities who have considerable discretion in interpreting such regulations. Some countries, however, especially those where immigration has been seen as an inflow for permanent settlement --- and this applies both to old immigration countries like the United States and Australia and to relatively recent ones like the United Kingdom and Sweden -- have given immigrants the right to remain permanently in the country at an early stage in their stay. It is clear that this latter policy promotes integration, whereas integration is hindered where foreigners feel that their status is insecure, with risks of permits not being prolonged and of possible deportation. Until recently this important interplay between regulation and immigration has passed unnoticed in most countries.

From the individual immigrant's point of view, regulation and integration policy have presented two faces: one face is hard, unkind, and full of rejection, the other friendly and inviting. The hard face is turned towards those who apply for admittance, and the more friendly one towards those who have already been accepted. But the two faces go together. The more generous a country's integration policy, the stronger may be the efforts made by people outside the country to pass through even the most rigorous immigration control. In other words, if a receiving country offers reasonable housing, good schools for children, and a low level of social discrimination, this encourages new immigrants to come and old immigrants to stay permanently. If instead conditions are poor, they may deter many from attempting to enter and prompt others to return home. Strict regulation of immigration also has an impact on those who have already been admitted as immigrants, and who find that family reunion is hindered, visits of relatives not allowed, and so on.

Regardless of their integration policies, many have been attracted to the immigration countries, and this is true both for the traditional receiving countries overseas and for the European ones during the last two decades. Disparities in living standards and especially in short-term economic opportunities have induced many to make a big personal investment and to accept the risks and costs involved in migration to another country.

During much of the post-war era, most intra-European migrants have arrived with the intention of returning home after a couple of years, and about half of them actually realise this intention. Some return because they are disappointed or unsuccessful, others because they have reached their goals. Today many migrants are forced to leave their countries, often with little hope of a possible return, as is the case of some political refugees. The situation appears to have been somewhat different in the 19th century, when millions of Europeans left for the United States, Canada, Australia and New Zealand. At that time, the journey was long, risky and expensive; many hoped to find land to start a farm or to set up in business. Emigrants often had to accept that they had left Europe for good. Others had less clear plans, and surprisingly many actually returned with the boats heading back to Europe .

A country's integration policy is of course also related to its attitudes to return. Countries where immigrants are expected to stay have much greater interest in integration than countries like the Federal Republic of Germany or Switzerland in periods when only temporary workers are welcomed and when eventual return is hoped for. In the 1960s, German and Swiss policies seemed to correspond well with their guestworkers' own plans to return. The migrants' intentions changed over time, however, and return turned out to be an illusion. Most of them stayed although some were offered considerable premiums to return. The official policy of only admitting temporary guestworkers has nevertheless been hard to abandon completely, and it has not been easy to accept that this policy rested on unrealistic assumptions. The result was a prolonged neglect of integration policies.

Sending countries also hope for the return of their emigrants. In many of them, there is a notion that migrant workers abroad will be needed, at least at a later point in time, when the economy has become more developed. These countries often therefore prefer a guestworker policy. Officially, Yugoslavia has persistently looked upon its citizens as workers temporarily abroad and not as workers who have emigrated for good. When the employment situation improves in Yugoslavia, or when for instance Yugoslav workers abroad create new job opportunities through their savings, they are supposed to return. The German guestworker policy might seem to correspond exactly to Yugoslavia's perception of "workers temporarily abroad". From this perspective, the Swedish immigrant policy, on the other hand, can be seen as binding Yugoslav workers too tightly to the host society. What may be seen as ambitious integration policies can therefore be evaluated negatively as well as positively.

So far, we might conclude that integration is a matter of great importance in any state where immigrants are invited to permanent residency, while it is of lesser interest where foreign workers are seen as temporary guestworkers. Furthermore, immigrants feel less integrated in states where their residence and work permits are insecure and their return home is encouraged. A system of temporary labour immigration is often thought not to need much attention to an integration policy, but where permanent settlement will result, this is a mistake which leads to poor integration of settled foreign workers.

The halt in recruitment that occurred in 1972-74 has demonstrated that there is yet another dimension to the interrelation between integration and the regulation of immigration. First of all, very few migrants wanted to return, if this meant that they would lose their permits or their chances of getting new permits in the future. Realising that their return might be an illusion, they became more interested in the country where they lived, in their living conditions, in the education of their children, in planning for a future in the country of immigration, i.e. in their own integration.

Secondly, at the time when recruitment was stopped, the foreign populations of many immigration countries had become so large that the impact on housing, education and culture could no longer be disregarded. Virtually all European receiving countries realised that a first step towards improvement for those already living in the country was limiting immigration. The concept of "stabilization" was frequently used: if only the number of resident immigrants could be kept at a stable level, improvements in their welfare would be possible. In other words, a strong and growing need for integration of foreign workers and residents necessitated restrictions on the inflow of more foreigners. The ending of recruitment was initiated by the economic depression (the "oil crisis", or, rather, its preliminary stages), but the need for a strict regulation of immigration had been felt already before this. This need, it was often explained, was caused by the lack of elementary integration among large parts of the foreign population.

Basic approaches to integration

Integration policy can be either direct or indirect. The special needs of immigrants prompt a receiving country of immigration to devise special measures to improve their situation by means of language courses, housing and employment programmes, etc. Since these measures do not apply to the non-immigrant population, they are directly aimed at the integration of immigrants. At the same time, the country's general public policy -- which involves economic, social, political and other programmes and is applied to all inhabitants of the country, whether citizens or not -- has an indirect effect on the situation of immigrants as well.

In comparing basic approaches to integration, we must therefore take into account both the special immigrant programmes (i.e. the direct integration policies) and the general public welfare policy of the country (i.e. the indirect integration policy). The more a country takes collective responsibility for the social security of all its members and the more equality is emphasized as a central value, the more we might expect to find an active integration policy, promoting the welfare and security of immigrants. This means that the reception given to immigrants during the 19th century in the classical immigration countries (the United States, Canada and Australia) differs strongly from the reception offered by the modern welfare states of Western Europe in the second half of the 20th century.

The following part of this presentation will summarise three basic approaches to integration policies, and our discussion will use the distinction which we have just elaborated, namely between integration in the case of permanent and integration in the case of temporary immigration. The integration policy in classical immigration countries will be discussed first, then the permanent integration in countries like the United Kingdom and Sweden, and finally the now almost outdated guestworker systems of several countries in continental Europe.

Classical regulation and integration

Since the 1920s, the classical immigration countries have all restricted the numbers of yearly immigrants and controlled the composition of the immigration flows. None of them, however, has terminated immigration. Canada, Australia and New Zealand have even encouraged and recruited immigrants during long periods. The legal immigration to the United States amounts to about 550 000 regularly admitted immigrants per year and the corresponding figures are about 100 000 for Canada, and 70-80 000 for Australia. A feature common to all the classical immigration countries is that immigration control is located first of all in the embassies and consulates in foreign countries. An immigrant visa is required, and in order to get one, candidates must demonstrate that they qualify for immigration and add their names to waiting lists in the embassies. Before leaving their country of origin, they receive immigrant status, guaranteeing permanent residence and free access to the labour market. In this way the fundamental basis for their future integration is laid, and even if little direct integration service will be provided after their first arrival, this acknowledgement of immigrant status may be the most important promoter of integration that can be offered.

According to the individualistic value system prevailing in classical immigration countries, an immigrant's failure or success to integrate has mainly been judged on the basis of his achievements, and these have been seen as resulting from his own qualifications and personal ambitions and efforts. Highly appreciated were those who could make their own future, open up new land for farming and start new businesses. Even today, the system of undocumented workers in the United States has characteristic traits of this traditional ideology: illegals who get caught are returned to their countries of origin, but little is done to control those illegals who have already found work in the United States and their possible future integration is largely their own business.

In Canada, however, citizenship courses are organised for those who want to prepare for naturalisation, and these courses include both language training and civic instruction. The lack of more intense and direct integration policy programmes is combined with a relatively strong welfare system, providing an indirect support of the integration of immigrants into the new society.

Typical of these classical immigration countries is also the great significance of voluntary associations, especially those organised on ethnic grounds. During the early periods of new settlements, ethnic groups established themselves in regions and towns or in districts of the larger cities, and served as what has been called threshold communities. Local communities or neighbourhoods, churches and ethnic communities are still expected to assist immigrants.

Despite the fact that the official languages (English, and French in Quebec) were soon learnt by everyone, the ethnic languages also survived several generations and in this sense the "melting pot" did not function as quickly and well as many believed. Successful integration of millions of immigrants in these countries and not least in the United States, thus took place in a system of little direct integration policy organised by the state. This experience raises one crucial question for future integration and immigration policy in Europe, namely: do divided, decentralised efforts by ethnic groups themselves encourage or discourage integration in the larger society of the receiving country?

Permanent integration

None of the Western European immigration countries has encouraged large-scale permanent immigration in the way that this was once done in the classical immigration countries. At an early date, however, both the United Kingdom and Sweden accepted that immigrants of the 1950s, 1960s and also of the early 1970s were going to remain in the country as citizens.

In the United Kingdom, the reasons for this were the historical traditions of the Commonwealth. Emigration from the United Kingdom had previously been larger than immigration to the United Kingdom from the Commonwealth countries, and this openness for both emigration and immigration had always been reckoned to be one of the positive characteristics of the Commonwealth system. Since the first Commonwealth Immigration Act in 1962, which made Commonwealth immigrants subject to control through employment vouchers, British policy has been to institute tighter and tighter controls. The 1971 Immigration Act and subsequent regulations have reduced immigration to a minimum, allowing mainly secondary immigration of close dependents of previously arrived residents. As regards integration policy, these tough controls have been linked with positive measures towards ethnic minorities in the country. Each time immigration regulation was made more restrictive, it was combined with new legislation against racial discrimination. The conditions of immigrants in the United Kingdom were affected to such an extent by discrimination that an improved application of anti-discrimination laws and an active effort to change public opinion were considered the most urgent policy measures. The Commission for Racial Equality (CRE, established in 1976) has the authority and resources to combat negative discrimination in individual cases, but it is not equipped to take on the major integration problems, such as housing programmes or language instruction.

A similar example of a combination of increased control and integration efforts is found in Sweden. Two simultaneous decisions of great importance were made in 1967, when uncontrolled immigration from Yugoslavia was stopped. First, immigrants were to be considered permanent residents or "new Swedes", as they were soon called. Second, Swedish integration policy should aim at creating socio-economic opportunities for immigrants equal to those of comparable groups of Swedes. In 1975 the aims of Swedish immigrant and minority policy were summarised in a decision by Parliament under three headings: equality (the same social and economic opportunities for immigrants as for the rest of Sweden's population), freedom of choice (to retain and develop their culture and language), and partnership (co-operation between old and new Swedes).

New Commonwealth immigrants residing in the United Kingdom have full political rights as British citizens. This political status is at the same time a clear expression of their formal or institutional integration and also an incentive to further integration into British political life. Sweden was the first country to grant political rights to immigrants who were still foreign citizens. Voting rights were given in local and regional elections. The reasoning behind this break with tradition was that political rights should be extended because of the basic demands of a democratic political system, and because political rights were considered strongly integrative factors. When granted voting rights, the reasoning goes, immigrants will acquire a new attachment to the host state; their interest in politics will grow, and their votes will also attract the interest of the political parties to issues of concern to immigrants. In the long run, voting rights will thus enhance integration.

The United Kingdom and Sweden may be taken as examples of how integration can be promoted in countries experiencing permanent immigration. Other examples may be found in many other receiving countries. In the Netherlands, a minority policy was established during the 1980s, based on the realisation that the immigrated minorities were going to remain in the country in the future. In France and in the Federal Republic of Germany, there is also evidence that public concern about integration has increased, starting at the time when recruitment was stopped and the low rate of return among foreign workers was first identified, and appropriate policies have been adopted.

Temporary integration

In most Western European countries, migrant workers were initially seen as a temporary labour force, employed only to fill acute needs. Some countries, like Germany and Switzerland, developed full-fledged guestworker systems, and similar practices also have been applied in many other countries, such as Austria, Belgium, the Netherlands, and to some extent in Denmark and France, during most of the 1970s. Everywhere, male workers were first recruited for a few years, and family immigration was discouraged. Nevertheless, this system did not prevent one unexpected occurrence, namely an early start of some kind of an integration process. When labour recruitment was banned in 1973-74, the outcome was not, as envisaged, a sharp reduction in the numbers of foreign residents and foreign workers, but a stabilization of large foreign populations.

The foreign population in Germany, for instance, did not decrease after 1973, but continued to grow and reached its maximum only in 1982. The number of foreign workers, on the other hand, began to decrease in 1973, at a peak of about 2.6 million, and they numbered about 2.0 million ten years later. Family members, wives and children, more than replaced the number of foreign workers who had returned. As a result, the previously very skew proportions of men and women had partly evened out. It is hard to tell exactly when an integration process begins, but in this case it is obvious that such a process had started and was well under way in 1973 when the end of recruitment came in Germany. The family reunion that followed gives clear evidence of this. Germany's policy changed only partially, however. A government programme of 1973 maintained the position that Germany was not a country of immigration, but expressed the aim of "temporary integration" ("Integration auf Zeit"): "everything should be done to provide the immigrants with humane conditions during their stay" [Hammar, (1985, p. 190)].

A number of steps have recently been taken in Germany to promote the integration of migrants, especially into the labour market. The ambiguous message of "a temporary integration" is nonetheless still present. Full integration is an aim mainly for the second generation, born in Germany, while for the first generation of immigrants two parallel policies are pursued. One is the encouragement of return, recently implemented in programmes financially supporting unemployed foreign workers who have chosen this option voluntarily. The other is integration into the employment system, and the main instruments used here are language courses, vocational training, and other employment services. During the last few years there have also been a number of essential improvements in the legal status of foreign workers.

In 1984, a status in the labour market equal with German citizens has been granted to 86 per cent of non-EEC nationals in Germany, while 46 per cent held permanent residence permits. This is evidence of a substantial policy change compared to only a few years earlier, and it is likely to have significant implications for the future integration of foreign residents. It gives them a security which they have so far lacked and an opportunity to plan for their own future. As the German report says, the fact that more than one million foreign workers and residents have obtained an adequate legal status can be seen as the fulfilment of one basic "integration-promoting prerequisite".

Germany is quoted as only one example of what is going on in several countries, where large-scale "temporary" immigration of foreign workers has led to the establishment of large foreign populations. Everywhere, a more or less rapid policy change has taken place and is still taking place, and integration, especially of the second generation, is a major concern. The major policy differences that previously existed between immigration countries with different long-term aims are tending to disappear as all countries are now engaged in the task of finding ways to integrate both the first and the second generations into various parts of society. The fact that countries have started from different points means that they have reached different stages, and perhaps also that their views of the future, based as they are on their own experiences, remain different.

A divergence in immigration policy is clearly visible during the period of large-scale immigration in the 1960s and 1970s. The industrialised immigration countries made the same kinds of gains under similar economic conditions, but they differed in immigration policy because their traditions, previous experience, industry, geography, etc., were in many respects markedly disparate, and because some states mainly admitted colonial immigrants, while others relied on the recruitment of foreign labour. When recruitment of labour was terminated in the early 1970s, a trend towards policy convergence started. The basic reason for this trend seems to be that all immigration countries thereafter have faced a similar situation with a strictly limited control of new immigration and a considerable immigrant population which is increasingly inclined to remain permanently.

A policy of cultural integration

This discussion of basic approaches to economic and political integration policies has covered classical integration in some traditional immigration countries, permanent and finally temporary integration. Owing to its great significance for the future, one aspect of integration, namely cultural integration, must be dealt with in more detail. As will be evident below, we use culture in a somewhat limited way. Our point is that each one of the three basic approaches mentioned above may be combined with various policies of cultural integration, or, to put it the other way around, the same cultural policy may be used in countries which in other respects represent different integration policies.

Influenced by the ethnic revival in America and in Europe, a major change in perspectives seems to have occurred everywhere. It is true that the old "assimilation" ideology is still implicitly present in several policy decisions and statements, but it is now seldom explicit in authoritative statements -- saying, for instance, that those who have chosen to live in another country must adopt fully the ways of life prevailing there. Instead, we seem to have reached a new understanding that migrants must, within certain vague limits, be allowed to follow their own traditions and beliefs, speak their language, wear their dress and eat their food.

The crucial issue is what will happen over time, and here nothing but very vague and varied policy approaches may be distinguished. One of them is sometimes referred to in France where it is suggested that French culture may also ultimately benefit to some degree from an exchange with the so-called "cultures of origin" (les cultures d'origine). It seems, however, that the contributions are expected to be only minor additions or innovations, and that they are not seen to be threatening just because of the strength of established French cultural traditions. The major long-term trends in this interpretation seem to be basically assimilationistic, even if today they are combined with a new comprehension of relativistic views of ethnicity and culture.

According to another policy approach, perhaps partly exemplified in Australia, parents of the second and third generation should be given an opportunity to socialise their children into their culture of origin. The educational system must be adapted to these requirements, which means separate schools or at least separate classes within schools, in which the parents' mother tongue is the language of instruction. This kind of solution, used for legal minorities in several states during the interwar period, has not been applied fully anywhere, however, as migrant "minorities" of today are not considered equivalent to the de jure minorities of the earlier period.

Several countries experiment with cultural integration policies which are located somewhere in between these two alternatives. They give some consideration to the ethnic socialisation of migrants' children, neither asking for quick assimilation, nor accepting demands for minority rights. The arguments for this more or less pluralistic or multicultural education are usually voiced in practical terms: some children of migrants have never learned the majority language, and must therefore first be instructed in their own mother-tongue. Their overall school achievement is supposed to be improved in this way, in the long run, and parent-teacher relations may be easier, etc. But one implication may be more important than all the others: this minority education can give migrant groups a greater opportunity to preserve and develop their language and culture over time. It may provide them with a necessary base for their ethnic mobilisation, and in some cases, this may eventually lead to the establishment of new enduring minority groups in some host societies.

III. LESSONS AND POLICY OPTIONS

A certain lack of comprehension and a corresponding lack of imagination about the consequences of large-scale migration have been characteristic of the 1960s and 1970s. Now that the results are better known, the general policy response in Europe is to avoid new large-scale labour migration, since one of the lessons to have been learnt is that what was construed to be temporary immigration can lead to substantial permanent settlements. It is obvious that serious efforts to analyse various possible scenarios of the future are much needed. An attempt will be made here to indicate how past experiences and varying policies are likely to affect future developments. In so doing, we will also show that policy-making in most areas under scrutiny will have to accept certain constraints -- a recognition that policies, instead of pointing out the "right ways", will often have to create space for constructive solutions by migrants and members of the larger society, including its institutional representatives. These solutions must deal with a multiplicity of issues in municipalities, schools, residential areas, in work places, in hospitals -- in short, wherever people meet. In this section we will proceed with the discussion issue by issue, rather than in a more synthetic manner.

Integration and legal status of foreign residents

It is a necessary prerequisite for integration into a host society that foreign residents and foreign workers be granted legal security, guaranteeing them permanent residence and a right to work. The administrative examination of applications for permits must be firmly based on this premise. During the last few years, major improvements have been made in this respect in several countries, but more has to be achieved. For many foreign citizens insecurity before the law is still an impediment to integration.

The deficiencies in legal status of foreign residents can be exemplified by the case of family reunion, which is accepted everywhere though some countries have laid down severe restrictions with regard to both residence and work permits. In practice these policies often run counter to general sentiments regarding the equality of sexes in our societies, since it can be argued that present policies often serve to make the spouse migrating later inordinately dependent upon the first migrant, as the former's permits not infrequently depend upon the latter's. This means that, for example, the dissolution of a marriage may lead to the loss of permits on the part of the dependent, with grave and inequitable consequences.

Several countries, inside and outside Europe, have experienced large-scale clandestine labour migration, and in some (the United States being the most well-known case), the number of clandestine workers is very considerable. There is general agreement about the unfortunate consequences of such illegal immigration, including the formation of an exploitable labour force outside the regular labour market. The campaigns against clandestine labour, however, have in most cases not included effective sanctions against those employing illegal workers. In France, Canada and several other countries, attempts have been made to regularise the status of those who are in the country without proper permits; limited amnesty has been given to persons already residing in the country and meeting certain criteria. The problem is urgent, and not adequately dealt with. Regulation and regularisation must be achieved soon, in order that integration can be made effective.

Integration and employment

No one can wish for a future in which a specific ethnic origin is likely to indicate a specific type of job or status in the labour market. Such a "vertical mosaic", to use an expression from Canada, would imply that many people, by virtue of their "choice" of parents, would be locked into specific life courses. Severe social tensions may face a society in which socio-economic divisions merge with ethnic divisions or divisions based on citizenship or legal status. The individual injustices -- social, economic and cultural -- are well known from societies organised on these premises. What can be done to prevent tendencies of this kind arising out of the post-war European migration?

In general terms, the receiving societies must make substantial efforts to ensure professional and other social mobility in the immigrant population. A general prerequisite is a sense of security and confidence on the part of the migrants. Establishing effective communication between migrants and the larger society, supporting activities originating in the migrant communities, and giving migrants access to services and benefits of the receiving society may work in this positive direction. Effective signals must be sent to migrants, telling them that they do not have to exist on the margin of the receiving societies. Such signals must be given in all important areas of interaction between migrants and the host society: in working life, in housing and education, in politics and in public opinion. The most crucial questions for the future are those related to the employment situation of first generation migrants as well as that of their children. The urgency is heightened by the structural problems of the Western economies which are experiencing considerable unemployment. In most countries, the official figures also indicate that foreign citizens as well as the second generation of immigrants are harder hit than the indigenous population.

It is true that in all the receiving countries various measures have been taken to improve language skills, give vocational training and retraining of the unemployed, and to organise more basic schooling when this is needed. A number of efforts are also made to secure the first entry to the labour market. All this is encouraging but it is still not yielding enough satisfactory results.

It should also be noted that there is a considerable risk that future technological developments in automatisation and computerisation will lead to increased employment difficulties for those with poor education and a low level of labour market skills. The policy task ahead is largely to find means and resources to overcome these serious difficulties. Return migration is obviously no solution to these labour market problems.

Integration and housing

In all the receiving countries, place of residence is more or less tied to income and socio-economic status. However, very little is known about the processes whereby ethnically dense neighbourhoods are formed. One may presume either that people of the same national or ethnic background take comfort in close contacts, or alternatively, that discrimination in the housing market gives the same result. A third interpretation is that some neighbourhoods, by virtue of providing low-cost housing initially, are attractive to migrants; after this initial inflow, a certain level of specific services is established, such as availability of interpreters, certain preparatory classes or mother-tongue instruction in the schools, social welfare services in some measure accommodated to the ethnically specific situation, etc. The point in this line of reasoning is that there may have been one reason for the establishment of the ethnic concentration, and other reasons sustaining it. To the extent that this is correct, availability of similar services to migrants outside the ethnic concentrations will increase the real options on the part of the migrants as far as housing is concerned.

Integration and minority policies

What will be the future shape and position of migrant groups? Under what conditions and how long will ethnic minorities originating from migration survive in the receiving societies? Today, no definite answer can be given. But a number of pertinent observations can be made on the basis of the present reports and the general knowledge in the field. The conditions offered migrants in the receiving countries, including the implemented policy of integration, have an impact upon the ways migrant groups organise themselves and the ways in which migrant families function. The relations that we are dealing with here are complex and multicausal. It may be argued that an ethnic minority may be more prepared for ethnic mobilisation, if this minority is in conflict with the majority, i.e. the more its members experience inequitable conditions. On the other hand, a very generous integration policy may entail closer attachment to the larger society and perhaps a weakening of the ethnic bonds. Close ties between the minority and the government of the country of origin may have varying consequences: in some contexts they may strengthen ethnic mobilisation, but in others serve to highlight political disagreements, and divide ethnic groups into ideologically defined subgroups.

In some countries a "threshold" concept has been used, implying that a country or a local community can admit a new migrant population only up to a certain proportion of its own size. If this threshold is passed, the argument goes, problems will arise, hostility will increase, education will deteriorate, housing areas will change their character and thus lead among other things to "ghettoisation". This threshold concept introduces the issue of how much cultural diversity the receiving societies can handle at one time. We maintain that the "threshold" is not a useful model. Its popularity stems from a lack of comprehension that an overload of demands will always lead to stress in a social system, and that statements based on the proportion of foreign citizens over-simplifies a complex problem area. The existing wide variety, locally, regionally and nationally, between different migrant categories, requires more refined analysis and understanding and, finally, a rethinking of the ways we usually address policy areas.

By and large, standardised solutions have been sought which have great advantages in many ways. Through this approach it has been possible to create manageable organisational structures, for instance in the field of education. In the present situation, however, and particularly with regard to ethnic minorities, it appears that we will have to embark on a course where differences and variety are given adequate expression. In schools, for example, there must be adequate room for solutions which provide meaningful activities for the students. The cultural and linguistic diversity which may exist even in the individual class-room is poorly addressed by simply neglecting it; instead, there must be the opportunity for the school leaders, teachers and students to arrive at instructional goals and methods which are appropriate both with reference to the larger societal construct and also to all the parents and students.

One implication of this is that central authority must find new expressions. Instead of laying down very specific rules for the activities in, for example, the educational system, the guiding principle must aim on the one hand at creating a common sense of purpose for employees in the system and on the other, at developing channels for co-operation between teachers and school leaders and parents and students. Instead of management by directives, there must be management based on understanding. To realise this, the staff must get an education which provides an understanding of social and cultural processes.

In summary, the European immigration countries may generally be said to have entered a transitional period that seems likely to have an extended duration. It is transitional in the sense that ethnic minorities increasingly tend to become integrated into the host societies. Several minorities will eventually find a more settled way of relating to the larger societies, and some of them will probably disappear. But we will have to expect that this transitional period in fact may be the ordinary state of affairs. Also, new migrants will arrive. It is essential to find policies suitable for this situation. Among other things, new legal forms are needed in order to grant elementary political freedoms and rights to the large foreign populations which are permanently residing in our countries.

Political rights and naturalisation

We have in this report already emphasized the value of political participation for integration. We shall here only draw attention to some frequent misunderstandings in this respect. Voting rights and political rights are said to be reserved for citizens only, while naturalisation is seen as the obvious expression of a successfully completed integration process. Our argument is the reverse. Political participation may be an efficient instrument in a general integration process: it helps integration in several areas, and opens doors that are otherwise closed. However, naturalisation does not mean that one attachment is completely replaced by another. Few migrants forget their origin. A characteristic feature of today's immigration countries is that they have large populations with dual attachments and loyalties, rights and duties. Naturalisation is regularly and frequently practised in the classical immigration countries, but several countries in Europe unfortunately make little use of naturalisation, and they do little to encourage foreign migrants to apply for naturalisation. Foreign citizens, for their part, very often ask for naturalisation only when they have pragmatic, economic or juridical reasons to do so. A new naturalisation policy may be one of the most useful instruments for the successful integration of migrant populations in the receiving countries.

Migrant women

The situation of migrant women has only recently started to attract closer attention. This may be a reflection of the fact that an increasing proportion of the foreign population is female, thanks to return migration on the part of single males and a family reunion migration in which married men are joined by their wives and children. It should be noted, however, that unmarried as well as married women have always constituted a considerable element in post-war European migration.

In several countries, married women are dependent upon the status of their husbands, occasionally prohibiting their acquisition of a work permit or leading to a forced return on the part of women and children in cases of divorce. Women often find work in sectors of the economy, such as domestic service, cleaning and low-income industries, where security of tenure, clandestine employment and social benefits may be problematic issues.

On a more general level, the position of women is sometimes portrayed as one of triple burdens and dependencies, as they are simulataneously migrants, women and workers.

Racism, prejudice and discrimination

No other single factor has probably had so negative and devastating an effect upon the attitudes and integration of migrants as the encounter with racism, prejudice and discrimination. Certainly, there are vocal groups fighting these matters, but unfortunately, the need for and the existence of these groups also testify to the prevalence of the very things they want to combat.

There exists a long tradition in which racism, prejudice and discrimination are seen as the expressions of individual and idiosyncratic personality features, and there have been attempts to explain them as a reflection of a pressing economic situation. Increasingly, however, these interpretations have been replaced with perspectives according to which such attitudes reflect a more general insecurity. In a rapidly changing world, where economic security is rare for many, where cultural forms are unstable and changing, and where children live lives very different from those of their parents, racism, prejudice and discrimination may provide feelings of superiority and power. This is only a partial explanation of these phenomena. A necessary addition must deal with the extent to which politicians and others react against them, or perhaps even attempt to use them for political purposes. If racism, prejudice and discrimination can be seen as linked to general features in our societies, the short-term strategy to counter them must first of all be that spokesmen for the society strongly show their complete disapproval, and also that adequate legislation be enacted.

Trade unions

Trade unions protect the interests of their members against among other things, unorganised workers who might threaten their jobs or working conditions. In some periods trade unions have asked for immigration control and even for exclusion of foreign workers. But many trade unions also have strong international commitments, and they have often accepted labour immigration as a reasonable way of increasing the total production of the country, which would be in the interest of their members. In doing so, they have pressed for all foreign workers to belong to unions, and as a result immigrants in Germany and Sweden, for instance, are unionised to approximately the same degree as native workers.

The strong integrative effects of trade unions are often overlooked. They are not only involved in the shaping of immigration policies, they may also demonstrate concern for their migrant members, who are allowed to take part in trade union elections and who may be elected to leadership positions. It is not in the interest of unions that special migrant unions be formed, nor that dual labour markets are established, one for native workers with well-paid and secure jobs and one for immigrants in poorly paid and less secure jobs.

Finally, the significance of trade unions as communicators of information should also be stressed. In many ways, trade unions are uniquely suited both to articulate popular concerns to politicians and to disseminate information to wide segments of society. These abilities, varying in detail from country to country, can serve highly beneficial ends when integrated into the political process in a broad sense.

Public opinion

Any major immigration flow and any large foreign resident population mean a serious challenge to those perceptions of the role and status of the nation prevailing in the receiving countries. An immigration of almost one million Algerians and about as many Portuguese in France, of one and a half million Turks in Germany, of almost two million New Commonwealth immigrants in the United Kingdom, and of several million Mexicans in the

United States greatly affects these countries, but also raises a fundamental question about the future character of these societies. Will they ever be the same as they were before these immigration flows took place? The answer is no. This is an answer that often causes anxiety in the majority population, perhaps a feeling of a threatening development, perhaps hostility and conflicts. We therefore want to emphasize one often neglected fact of great significance, namely that there is an interplay between any policy of integration and the reactions of public opinion in the receiving country.

Public opinion depends on information about what is going on and what may happen, knowledge and understanding of who the migrants are, about their background, their culture, their interests, and their contributions to the countries where they actually live. An insufficient public debate and analysis, lack of research, and a lack of disseminated knowledge, lead to a lack of understanding of what is happening, and possibly to increased risks of conflicts in the future. The processes of public opinion must not be neglected, especially as many migration-related issues will continue to be significant features in social and political life, and as we also have to anticipate that future international migration will induce major changes in receiving as well as in sending countries.

Old and new immigration countries

During the last century, Europe has been involved in two massive migratory movements, one overseas to countries such as the United States, Canada, and Australia, and the other much later, mainly intra-European one. Are there similarities? Are there lessons to be learned from the overseas one when we attempt to grapple with the effects of the second? There is never an easy answer to questions of this kind. Of course there are similarities, but equally obvious are the dissimilarities. In scholarly endeavours, comparisons between the two migrations may be illuminating, as they may tend to illustrate the range of conditions which induce people to migrate, the variety of integrative processes, and caution against making generalisations about the interpretation and analysis of human actions on the basis of too limited a material. If, however, the question is to what extent such comparisons may provide a basis for devising policies, their value is considerably reduced. There are several factors supporting this stance.

One such factor is that the nature of the intentions of the individual migrants exhibit considerable differences. In the "old" migration, people moved in order to settle in the new country, with all that entailed of severing ties with their native land and orientating themselves firmly towards the new country. This was reflected in the structure of the migration: in the old migration, married people rarely set out alone, and instead there was a joint family migration if either of the spouses left. The new migration has been quite different in this regard.

Another factor is the shape of the receiving societies. As argued above, in the present migration the receiving countries are highly developed welfare states, not agriculturally based states in the process of nation-building. In the "old" migration, the migrants were seen as constituting one building block in an emerging society, with all that this entailed in terms of policies of admittance and integration. This is virtually the opposite of the mode in which the intra-European post-war migration was seen during its formative phases. Our present-day states define their responsibilities quite differently, and have much more elaborate and effective tools for social action.

A third factor is the role of the sending societies, not least in the importance they have for the migrants. Neither the receiving societies nor the migrants themselves supposed the post-war migration to mean a complete break with the migrants' countries of origin. Although today there are large, settled populations of former migrants in the receiving societies, these migrants actively retain their links with the countries of origin, in a manner and to a degree unlike their predecessors in the "old" migration. New modes of transport and communication are but two things which help to bridge the distance between the old and the new country, a distance which in any case is shorter than it was for the overseas migrants.

These are only some of the factors which caution against using comparisons between the "old" and the "new" European migration experience as the basis of policy-making. A significant feature of the new migration, as opposed to the old, is that it provides a link between states, rather than simply resources for one country's nation-building. In a very profound sense, this is one of the blessings of post-war European migration.

Appendix

THE EDUCATION OF MIGRANT CHILDREN

The education of migrant children is one of the most intensely discussed issues related to integration. It is a major strategic issue for the future, but the debate also reveals the difficulties of arriving at significant conceptualisations and methods of investigation. One ambitious attempt to make a comparative study of migrant children's education is represented by the OECD project "Education and Cultural and Linguistic Pluralism" [1987, forthcoming]. It compares the educational achievements of foreign students in the Federal Republic of Germany, Belgium, France, Luxembourg, the Netherlands, Switzerland and, to some extent, Sweden. Here we will present some of its main findings, and, as a conclusion, make some observations with respect to different research methods and what results they may yield.

The OECD study

A starting point for the OECD study is that the proportion of foreign students in education has increased steadily for a number of years, and will continue to do so. At the present time, the share of foreign students in the schools varies from 3.7 per cent in the Netherlands to 30 per cent in Luxembourg.

To arrive at an instrument for measuring educational achievements of foreign students, the OECD study utilises the relative share of foreign students *vis-à-vis* non-foreign students in various educational levels and tracks. It is then possible to show that foreign children are less successful in educational pursuits, which is revealed among other things, by the fact that foreign students are over-represented in "special education" and also in shorter courses and courses with less stringent requirements, and those with a vocational orientation. The foreign students are not, however, uniformly distributed along these criteria. Instead, it is possible to show that in each country, there is a hierarchy of national categories, and that this hierarchical order may vary between different countries.

The study explicitly states that it is necessary to disaggregate the foreigner category in order to address the problems which a particular immigrant community may face. Although cautiously stated, the study also suggests that length of residence and degree of cultural difference between the countries of sending and reception may be significant factors in the shaping of the migrant children's educational profiles.

Having established these facts, the researchers attempt to analyse the weight of socio-economic background factors. To this end, they utilise data banks in France, Switzerland and Belgium. The main findings of this analysis are the following:

-- Controlling for socio-economic background, there is no significant difference between foreign and non-foreign students; but

-- Within each socio-economic stratum, foreign students do not do as well as the non-foreigners of the same stratum.

A very important summary conclusion is that social background is a major explanatory factor for educational achievements of foreign and non-foreign students alike, with greater effect than nationality.

The Swann report makes an interesting comparison between children of West Indian and Pakistani descent living in Great Britain, and shows that when socio-economic background is also controlled, the former are doing far less well in the educational system. One of its conclusions is that educational achievements are the outcome of a series of factors, the importance of which varies with historical, economic and political circumstances. The OECD researchers also indicate the need for more detailed knowledge about the characteristics of students and local conditions, such as migrant density in the schools and in the neighbourhoods. The great importance of this field of inquiry is convincingly shown in the unambiguous relationship between poor education and the difficulties of becoming established in the labour market.

Social indicator and idiographic studies

The OECD study may be said to represent a type of inquiry often associated with social indicator studies. When the variables can be well defined, and the possible result immediately linked to policy alternatives, the potency of this approach is obvious. For example, let us take a finding that most single-person households have a very low disposable income. If this is due to the fact that there is a large number of students in the population of single-person households, or if it depends on a large number in this population paying alimonies, or if it depends on some other factor of this nature, it will have different policy consequences where the aim is to redress this situation. The problem inherent in migrant studies is that the issues at hand seldom allow this kind of neatness. Questions of causality and conceptualisations are often blurred by the range of variation in social forms (such as the variation in educational achievements) and the multiplicity of factors which may be at play.

Another approach to migrant studies may be labelled idiographic studies. Their focus is on a single entity, perhaps an immigrant group in a local community. The aim is to arrive at an understanding through what may be called "thick description", richly contextualised accounts of social relations, ways of thinking, handling of experiences. The goal is to make human action the "logical outcome" of their modes of orientations, based in their social relationships. In a study with these aims in Sweden, where the focus was on certain immigrant groups in two municipalities, some of the findings were:

- The parents' non-closure of the return option seemed to be a major determinant in their attitudes, including those about the education of their children (and the return option was not strongly correlated either to length of stay in Sweden, nor to national origin);
- Children of Danish descent were among the lowest achievers in the educational system (this corresponds with the national statistics, where they and children of Icelandic descent have poor showings; this was a finding which cautioned against a "cultural distance" interpretation of the kind discussed in the OECD report with respect to reasons for differences in educational achievements);
- Those parents whose mother tongue is Finnish are found to be divided into two categories irrespective of length of stay in Sweden, one intentionally monolingual in Swedish, the other in Finnish, and these two categories are not differentiated according to socio-economic or similar features;
- There was a marked difference between families where one of the spouses was born in Sweden, as against those where both were born abroad; this difference was quite noticeable in e.g. language habits and the children's school achievements.

Relationships such as those between return aspirations and educational achievements and the division of Finnish parents into two categories of very different linguistic habits are difficult to identify without intensive studies, and perhaps impossible to understand or contextualise as an expression of their situation, without the idiographic approach.

The problems with both the social indicator approach and the idiographic approach are obvious. The social indicator approach makes possible generalisations, at the price of an economy with concepts and causal models which so denudes the processes under scrutiny that one loses track of the variation and multiplicity of real life. The idiographic approach, on the other hand, may yield great insights into a specific situation, but the issue is the "external validity", i.e. to what circumstances are the insights applicable outside the situation where they were gained.

This is not the place to extend this discussion of research strategies, which is vigorously debated in many fora. However, we felt it important to point to the general problem: we need both the generalised knowledge from the social indicator studies, and the factual knowledge from the idiographic studies. There must also be a striving for an interchange between these two approaches. The area of policy-oriented migration studies is an excellent example of how one without the other will make it impossible to arrive at grounded insights that can be the basis of informed action.

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Part III

CHANGING PATTERNS OF MIGRATION IN SOUTHERN EUROPE

MIGRATION IN SOUTHERN EUROPE: AN OVERVIEW

Gildas Simon

I. INTRODUCTION

Southern Europe is a vast region, including five OECD Member countries (Portugal, Spain, Italy, Greece, Turkey) and one associate Member country (Yugoslavia), and with a large combined population of some 190 million in 1985. These six countries differ greatly as regards history, standards of living and lifestyles, social and ethnic patterns, culture and religion. Nevertheless they present a range of common features and other similarities which mark them out from the majority of North-west European countries: less advanced industrialisation and economic development; greater vulnerability in terms of inflation, unemployment and trade balance; continuing existence of highly structured rural societies in which agriculture still employs an appreciable share of the labour force.

Except perhaps for Portugal, which is essentially Atlantic-looking, all these countries form an integral part of the Mediterranean world. Their position in the southern part of the OECD and NATO areas makes them the link between Northern Europe and the Arab Muslim world, the meeting point for contacts and trade between North and South, and gives them a very real strategic and geopolitical role, as was emphasised once more by recent events in the Middle East.

What these countries also have in common is that they have been, some for centuries, others more recently, lands of emigration providing almost all other OECD countries with a substantial proportion of their present-day populations and labour forces. Southern Europe as a whole, with its 15 million emigrants in 1985, is the leading source of migrants within the OECD area and worldwide, is probably second only to the "American Mediterranean" (the Caribbean).

However, the picture of Southern Europe as a region of departure is no longer altogether accurate today. Developments since the early 1970s have radically altered the traditional migration pattern and the present position appears far more complex if not paradoxical, with four factors simultaneously in evidence:

-- Continuing substantial migratory potential and even the development of new flows to Arab oil countries;

-- Homeward flows, though smaller than expected, notwithstanding incentive policies in the countries of North-west Europe;

-- The appearance in the most advanced Southern European countries of immigrant flows of workers and refugees, many illicit, not only from the countries of the South and East Mediterranean but also from former colonies;

-- The maintenance of very close human, economic and cultural ties between groups migrating to Northern Europe, who seem to have settled permanently, and their own countries and regions of origin. Migrant traffic between Northern and Southern Europe has never been as intense as it is now.

Attitudes to migration issues on the part of public opinion and government are changing, in both sending and receiving countries, for domestic reasons (political as well as economic and social) and as a result of bilateral relationships. We are moving towards a better grasp of the broad migration issues both nationally and internationally. International labour migration is finally being treated as a structural component in the system of relations between countries of origin and countries of employment, in Europe and elsewhere.

It is appropriate, therefore, to examine the future for international migration in Southern Europe, with prospects all the harder to assess since alongside the underlying trends (demographic changes in Southern Europe, settlement of migrants in countries of employment in the North, effects of the enlargment of the EEC, stronger migratory pressures from the Third World), there are all too many factors of uncertainty -- how the economies in Europe and the oil-producing countries will develop, the effects of industrial redeployment, and government attitudes to migration problems, in addition to the play of individual factors and the strategies of the social groups concerned.

II. SOUTHERN EUROPE FROM 1973 TO 1985: A STILL ACTIVE EMIGRATION CENTRE AND A POTENTIAL NOT TO BE UNDERESTIMATED

In spite of appearances, the measures adopted in 1973-74 in the North-west European countries employing Mediterranean workers did not completely stop emigration from South to North. They did, however, mark an important change, in both the geography of flows within and outside Europe and in their content and significance. At the close of 1985, the departure potential in this OECD region is still considerable and should not be underestimated. It would be a serious mistake to think that the migratory urge which has existed in some of these countries for over a century will falter or die out in the next five or ten years.

A. CHANGES IN DEPARTURE FLOWS TO NORTH-WEST EUROPE

In the space of 15 years, from 1970 to 1985, the intensity, content and geography of migration from the Southern countries to the more industrialised countries in the North have undergone very substantial changes. These may be summed up as follows: a massive reduction in the transfers of permanent labour; an increase in flows of non-working population; a reduction in Greek, Spanish and to a lesser extent Italian emigration; and the spread of Portuguese and above all Turkish emigration in North-west Europe.

There can be no denying the fact that the restrictive measures adopted in the employment countries constituted a turning point in the development of the migratory situation in the South, but this was in our view more in the nature of a point of inflexion and acceleration of a profound change which, while not yet in full swing during the preceding decade, had in fact already begun. This is illustrated by the fall in the rate of Italian migration, which had already started in the early 1960s (329 000 departures in 1961, about 200 000 in 1970), by the transition from temporary migration to permanent settlement in the receiving countries [OECD (1985, p. 50)], by the reunification of families from the South and by the settlement of Turks in European countries other than Germany. This change, however, accelerated by the reversal of migratory policies in the North, came about at different rates depending on the respective countries of origin.

Substantially reduced total flows

In the early 1970s, the estimated annual number of first-time immigrants from the six countries under consideration was about 800 000, but the statistics then made no exact distinction between active workers and other employable members of households; in point of fact, the distinction is not always valid since a number of household members (women and youngsters of working-age) can enter the labour market very quickly if given the opportunity. Fifteen years later, total flows have fallen to 180 000-200 000 entries per year (both active and inactive). This very sharp reduction is clearly the outcome of the suspension measures adopted in the North. The motives behind the introduction of these new migratory policies are discussed elsewhere; we merely observe that the reasons for this change of direction are as much, if not more, political as economic. The desire to restrict immigration from the South, whether of European origin or not, has strongly affected the attitude and decisions of governments in the North.

Prospective emigrants were deterred, too, by their perception of the worsening employment outlook in the receiving countries. This effect has been all the more marked since a drop in the propensity to emigrate has been observed in certain Southern countries. In our view, this is as much connected with the political factor of the restoration of democracy in Greece, Spain and Portugal as with the combined influence of demographic factors (rapid fall in fertility) and economic factors (rising standard of living in Greece, Italy and Spain). This indicates an underlying trend in current Mediterranean migration, which is an internal phenomenon that must be taken into account but has not yet affected every Southern country (Turkey, Portugal and to a smaller extent Yugoslavia still escape this pattern) nor every region in the industrialising countries: such is the case for Galicia in Spain, the South and the islands in Italy, and Macedonia in Greece.

The role of the regional employment markets, perceived in the early 1970s as an actor in the European migratory system [Kayser (1972)], is still important today. This role is due, first, to the fact that there are zones and pockets in these countries where the departure potential is still high owing to the pressure of demographic factors and the inability of the economic structures to match the needs of the local population (static agrarian structures, non-industrialisation). This local and regional departure potential is also based on the emigration habit which has been ingrained in these departure centres for one or more generations, and on their dependence on an economy and way of life which are deeply rooted in the population's social customs and mentality. The inertia of this migratory system, which is based on the solidarity of the permanent networks (family, village, associations) operating between South and North [Oriol and Hily (1985)], and on its flexibility and its adaptability to the regulations (not to say its ability to get round them) explains why a certain general level of emigration has been maintained in the South in spite of the economic situation and the theoretically dissuasive administrative measures adopted by the countries in the North.

Thus, emigration, which has sustained a level of 180 000 to 200 000 departures per year since the beginning of the 1980s, has been responsible for the departure of 2 to 3 million "Mediterraneans" to the North since the onset of the economic recession. This large figure effectively demonstrates that pressure to leave is still strong in the Southern countries and must be considered as a constantly active variable in the migratory equation in Southern Europe.

While this is the general framework in which migration from Southern Europe to the Northern countries is taking place, the six countries concerned are far from experiencing exactly the same trends. There is no lack of factors of migratory differentiation: age of the migratory movement, rate of natural increase, strains on the employment market, perceptions of income disparities with the employment countries, socio-cultural development of the population, political régime and human rights situation, and membership of the EEC. As Figure 1 shows, each emigration country maintains its own relations with each of its partners in the North and the total flow of emigration from that country is in some sense the outcome of these intra-European relations.

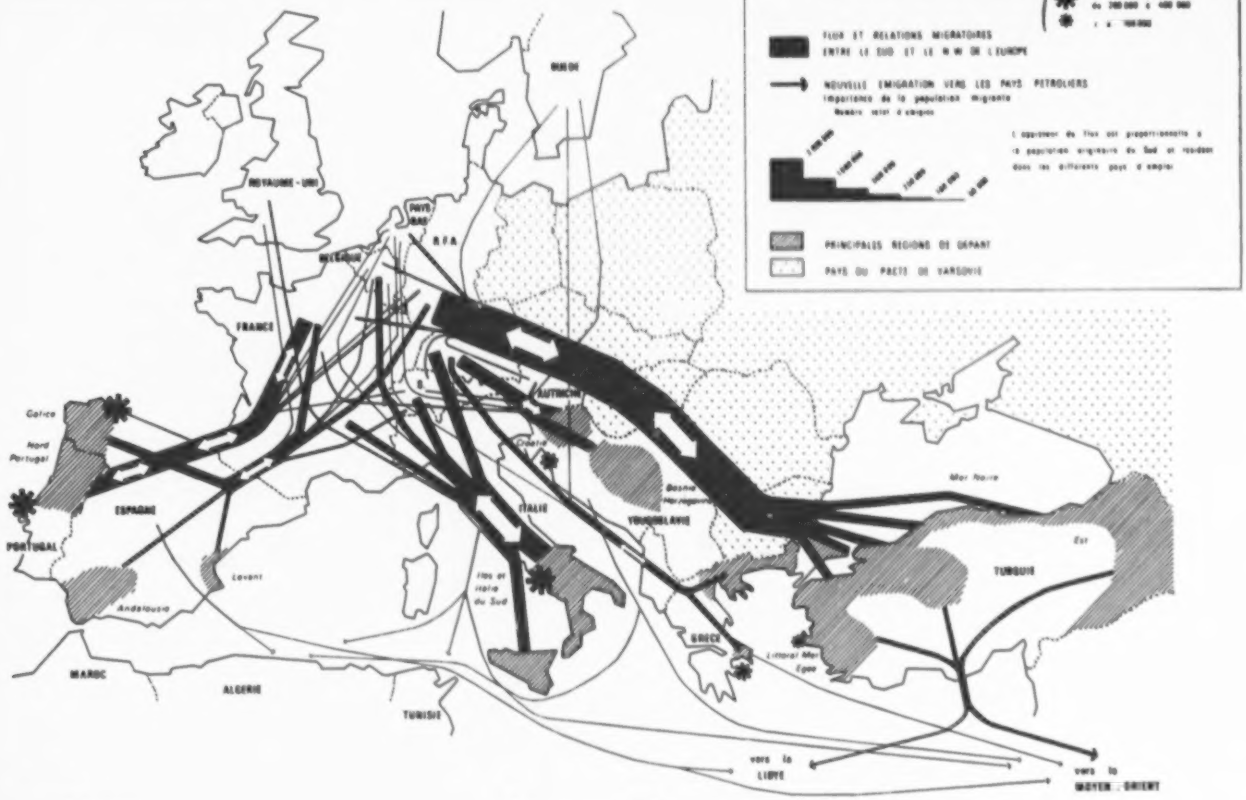
It is therefore possible to identify types of trend in future migration according to a classification based on the importance of the current migratory potential in this OECD region.

Regional types of migratory potential

We distinguish three types of situation which correspond to three levels of potential in the present pattern of Southern European emigration.

TYPES D'EMIGRATION EN EUROPE DU SUD (1985)

(source : SOPEMI et divers)


EMIGRATION TRANSOCEANIQUE
(Amériques Australie Afrique du Sud)
Nombre total d'emigrés
de 1,5 à 3 millions
de 200 000 à 400 000
< à 100 000
FLUX ET RELATIONS MIGRATOIRES
ENTRE LE SUD ET LE N.W. DE L'EUROPE
NOUVELLE EMIGRATION VERS LES PAYS PETROLIERS
Importance de la population migrante
Nombre total d'emigrés
L'épaisseur du flux est proportionnelle à
la population originaire du Sud et résidant
dans les différents pays d'emploi
PRINCIPALES REGIONS DE DEPART
PAYS DU PACTE DE VARSOVIE
ROYAUME-UNI
PAYS BAS
BELGIQUE
R.F.A
SUEDE
FRANCE
S
AUTRICHE
Galice
Nord Portugal
ESPAGNE
PORTUGAL
Levant
Andalousie
Croatie
Bosnie Herzegovine
YOUGOSLAVIE
ITALIE
Iles et Italie du Sud
Mer Noire
Est
TURQUIE
GRECE
Littoral Mer Egée
MAROC
ALGERIE
TUNISIE
vers la LIBYE
vers le MOYEN - ORIENT
0
500 km

Gildas SIMON
Réalisation Pascale BRAULT
Laboratoire de cartographie . Géographie . POITIERS

Countries with a falling migratory potential

These are countries which, due more to their own peculiar internal equation than to the role of external factors relating to the employment countries, have seen their departure flows fall quite sharply without completely dying out, and now offer only a constantly diminishing potential for the future. Three countries fall into this first category: they are, in rising order of demographic importance and migratory potential, Greece, Spain and Italy.

Greece

Of the six Southern European countries, Greece is undeniably the one in which the decline in emigration has been fastest over the last 15 years and where the potential is probably lowest. With a population of 10 million, Greece now has 320 000 to 350 000 emigrants (1) elsewhere in Europe, cf. some 100 000 less than 15 years ago. Greek migrants are concentrated in Germany (292 000 residents in 1983), with the other countries playing only a marginal role (less than 20 000 workers in Belgium, Sweden and France). The movement to Europe, which began immediately after the Second World War and at the time of the Civil War, reached its highest point between 1961 and 1973 (965 000 departures, 650 000 of which to Germany), but it began to slacken well before the effects of the restrictive measures taken in Germany were felt (59 400 in 1969, 26 600 in 1972, 12 000 in 1973). According to the German statistics, which do not match the information supplied by the Greek authorities, the number of first annual work permits issued to Greek nationals was down to a few hundred a year, totalling 7 850 from 1974 to 1983. This early slowdown in the flows compared with the trend observed in other Mediterranean countries can be attributed to the growth of the national economy, falling unemployment and rising wages. The SOPEMI correspondent notes that in 1973 there were no more than 6 000 prospective emigrants compared with 75 000 in 1970 [SOPEMI (1974)]. The flow of family migration to Germany is also much slower and concerns only a small number of people (about 29 000 in 1974, 15 000 in 1979 and 10 000 in 1983). It is likely, too, that the restoration of democracy helped to make the population less mobile. Although the rate of natural increase is still high (1.1 per cent per year), it is probable that, while not zero, the country's migratory capacity is today relatively limited. Even though the standard of living is lower than in the North, it is third highest in the South at $4 060 per person (private consumption: $3 570 in 1983), and the pressure of unemployment (5 per cent of the working population in 1982) seems to be much less than in Southern Europe as a whole.

Spain

Spain, with its population of 38 million, is on a different level from Greece, first because its migration is more intensive (the number of emigrants in relation to total population is 7 per cent as against 4 per cent in Greece), and secondly because the tradition of emigration has its roots a very long way back in Spanish colonial history. The resulting migratory area is extremely wide and very varied; Western Europe comes only second as settlement area with 750 000 residents as against 1 700 000 outside the continent, mainly in South America. In Europe itself, France continues to hold first place (321 000 in 1982, cf. 497 000 in 1975), Germany (166 000), Switzerland (104 000), Belgium (66 000) and the United Kingdom (60 000) take a large number of Spanish nationals.

The sudden drop in total flows (working and non-working) beginning in 1974 demonstrates the effect of the restrictive policies adopted in the various European outlets (an average of 110 000 departures in 1970-73, 89 000 in 1974, 28 000 in 1978 and 16 000 in 1983) (2). The external restraints have had all the more impact as Spain has for some years been involved in a process of migratory disinvestment attributable in part to lower demographic pressure and to the substantial industrialisation effort, but also to the establishment of democracy and the restoration of individual freedoms.

The Spanish propensity to emigrate is declining. In 1975, the estimated potential reserve of migrant workers was 250 000 [SOPEMI (1976)], but, as the SOPEMI correspondent notes, this reserve is no longer really available; emigration is no longer what it used to be, he notes a few years later [SOPEMI (1982)]. It is probable that the development of the major industrial centres (Madrid, Catalonia and the Basque country) absorbed some of the labour supply in rural areas that still had a large surplus (Galicia, Andalusia) [Drain and Kolodny (1980)], although not exhausting it entirely.

Spain probably still has reserves of migrants ready for departure at any time, either in the old departure regions such as Galicia, where active ties based on local or parish solidarity have been maintained with the expatriate communities, or in the country's major urban or industrial centres where unemployment is high (18.9 per cent of the working population in 1982) even among the educated and skilled classes.

The continuing importance of seasonal migration must not be overlooked either. While the number of seasonal workers is falling in France and Switzerland owing to the reduction in demand (100 000 Spanish seasonal workers in France in 1970 and 60 000 in 1982, mainly employed in agriculture; 23 000 in Switzerland in 1981 in building and public works), their contribution to employment and household income is still substantial in the provinces of Seville and Valencia, the two largest departure regions (60 per cent of the total number).

Italy

There is no need to dwell at any length on the preponderance of Italy in Mediterranean emigration over the last century. We know that more than 20 million Italians left their country and, for many of them, the European continent during that period, the drain being heaviest on the eve of the First World War (nearly 1 million departures in 1913). The movement resumed after the Second World War but never returned to its level of the beginning of the century. For the last 25 years, the number of departures has dropped from year to year: 329 000 in 1961, 200 000 in 1970 and 85 000 in 1983 (3). Italy undoubtedly belongs to the group of countries with a declining migratory potential.

However, its share in the annual flows of Mediterranean emigration has increased over the last 10 years, from about 30 per cent of all departures in 1973 to some 45 per cent in 1983. This relative paradox is due, as we know, to the freedom of movement and establishment enjoyed by all EEC nationals. About 75 per cent of the migratory area for Italian emigrants in Europe (numbering 1 710 000 in 1983 (4) as against 1 961 000 in 1971-72) is in the countries of the European Economic Community where they are free of the constraints placed on other Mediterranean peoples.

Distribution of Italians in North-west Europe (1982-84)

Germany	565 000
Switzerland	404 000
France	333 000
Belgium	310 000
United Kingdom	80 000
Netherlands	20 000
Total	1 712 000

This undeniable advantage, combined with the traditional ties between Switzerland and Italy, explain the preponderance of Italian flows in current Mediterranean emigration, but this observation should not conceal the hardly reversible decline in the Italian movement, whether of permanent seasonal labour (86 000 in Switzerland in 1973, 33 000 in 1980) or frontier workers, and also in family reunification. The trend of entries observed in Germany (both working and non-working) is eloquent in this respect: 152 000 in 1973, 85 000 in 1974, 86 000 in 1980 and 35 000 in 1983. In Italy today, which is completing its demographic transition and beginning to align its fertility rates with those of the other EEC countries, the growing distaste for emigration appears to be both a consequence of the postwar "Italian miracle" (the per capita GDP of $6 869 in 1983 was the highest in the whole of Southern Europe and five times higher than that of Turkey) and a sign of the social changes now under way (70 per cent rate of urbanisation). Yet the gravity of the regional imbalances between Northern and Central Italy and the still underdeveloped regions in the South and the islands, the income disparities and also the influence of the established tradition of migration still trigger considerable flows and confirm the Mezzogiorno in its role as a reservoir of labour and population (57.8 per cent of all Italian departures from 1977 to 1983).

Countries with still high migratory potential

Two countries fall into this category: Portugal and Yugoslavia. Both are still experiencing relatively high rates of natural increase for European countries (0.9 per cent per year), which place a heavy burden on the national economy and result in the arrival of ever increasing numbers of young people on an already saturated labour market. Their low levels of production (per capita GDP about $2 000) and private consumption ($2 936 in Portugal, $1 426 in Yugoslavia) maintain a differential or gradient with the receiving countries which cannot fail to mobilise the available labour force. Lastly, the socio-cultural changes taking place in the context of urbanisation and education are tending to increase these countries' migratory potential. Over the last decade, this has remained located in the traditional migration centres of North Portugal's rural areas and the more developed regions of Yugoslavia, but the centre of gravity of these flows may be expected to shift to the major Portuguese urban centres and the less advanced regions of Yugoslavia (Macedonia, Kosovo, Vojvodina). The employment countries' restrictions keep down the departure flows and prevent replenishment since the limits on new entries make it impossible to compensate for losses due to final returns.

Portugal

If there is any country where emigration and, more broadly, the migratory factor constitute a structural element of the economy and society, both now and in the past, it is Portugal. The history of Portuguese emigration has been almost uninterrupted since the glorious period of the Great Discoveries and is firmly linked with the material history of this people, whose spread and influence throughout the world can only be understood in a historical perspective.

In proportion to the size of the population, the flows of departures from the end of the Second World War until the beginning of the present economic recession have been unprecedented in magnitude in Southern Europe, with nearly 170 000 departures in 1970 alone. Today, over a third (4 million) of the population of this country of 10 million live abroad, of whom nearly a million (940 000) are in Western Europe. France, the main host country (764 000 in 1982), has never completely closed its doors to immigrants from Portugal in spite of the general suspension measures. Portuguese migrants to France, where they are firmly ensconced in certain occupations and have succeeded in achieving smooth social integration, also took advantage of the exceptional regularisation measures of 1973-74 and 1981-82. In all, nearly 150 000 Portuguese (including 56 000 workers) have been allowed to settle in France since 1973.

Aside from France and Germany (where the Portuguese community has remained relatively stable: 100 000 in 1971 and 1982), it is interesting to note the marked secondary dispersion to countries with smaller populations: Belgium, the Netherlands, Switzerland (2 000 in 1971-72, 19 000 in 1983) and especially Luxembourg (1 100 in 1967, 5 700 in 1970, 27 000 in 1978 and 36 000 in 1982). Because of the increasing difficulty of gaining access to the main areas, there has apparently been a switch to second-choice areas; we shall come across this factor again in the case of Turkish migration. This substitution is also evident in the increasing seasonal emigration from Portugal, which had little experience of it previously. The number of seasonal workers has almost tripled over the last few years, rising from 13 900 in 1980 to 33 500 in 1983 (10 500 going to France and 22 000 to Switzerland, where the Portuguese are probably taking the place of the Italians).

Lastly, although illegal migration is not as high as it was during the 1960s (5), it does not appear to have completely disappeared; it is now limited to short periods (three months in France for the duration of the tourist visa) and focuses increasingly on regions bordering on Spain, where it is reckoned that there are between 45 000 and 50 000 illegal Portuguese workers.

The internal trend of Portuguese migration demonstrates both its flexibility and adaptability but also the continuing strong migratory pressure in this country situated on the margins of industrial Europe. Three structural factors will continue to feed this departure pattern:

- The reserves still available in the agricultural sector: 50 per cent of all workers in 1950, 44 per cent in 1960, 25 per cent in 1982;
- The continuing rise in the working-age population: by 0.4 per cent between 1960 and 1970, 0.6 per cent between 1970 and 1980 and 0.8 per cent from 1980 to 2000 [Cazes et al. (1985, p. 213)];
- The emigrants' social impact on housing, private consumption and car ownership, which is all the more visible as the population abroad is very large in comparison with the country's small size (92 000 km^2).

Yugoslavia

Like Portugal, Yugoslavia is a migration centre whose reserves should not be underestimated. Although its historical base is older than is usually thought, substantial emigration only began at the end of the 1960s (420 000 emigrants to Europe in 1969, 830 000 in 1973), and therefore has not yet had time to establish in Yugoslavia an economy, a way of life and social customs comparable with those seen in Portugal. At the same time, the actual magnitude of migration (5 per cent of the total population) is middle-ranking among the countries bordering the Mediterranean and much below the extreme case of Portugal.

However, as in the preceding case, the migratory impetus flagged not only as a result of the restrictive policy applied at traditional destinations, but also as a consequence of certain employment developments in Yugoslavia. According to the Yugoslav authorities, until the beginning of the 1980s, Yugoslavia registered a high growth of employment (at annual rates which were constantly over 4 per cent and even reached 5 per cent between 1970 and 1980) together with relatively favourable trends in the social field in general. Germany, which is still the foremost employment country for these migrants (60 per cent of their total number in 1973), put the strongest brake on this group of any experienced by the Mediterranean countries. This is shown by the fact that entry flows in 1975 fell to 12 per cent of the level attained two years previously: 151 000 in 1973, 72 000 in 1974, 18 000 in 1975. Subsequently, flows comprising 90 per cent of non-workers once again rose to an annual average of 25 000, thus demonstrating the permanence of family migration.

The closing of the Austrian labour market (about 25 per cent of all Yugoslav jobs in Europe in 1971-72) came about more gradually and there were still some entries until recently. The official statistics show that there were 25 000 new arrivals per year during the period 1978-83, but there is little indication of whether the jobs concerned were permanent or temporary.

The rate of turnover in Austria is apparently quite high, and there also seems to be a significant proportion of illegal workers.

The rise in Yugoslav employment in Switzerland is more marked; it ranks third among the European countries employing Yugoslavs, well ahead of France [SOPEMI (1983, p. 35)]. At the end of August 1982, 73 000 Yugoslavs were working in Switzerland, including 34 500 seasonal workers, mainly from Kosovo.

However, among the new Yugoslav departures, the share of the less developed regions (Bosnia-Herzegovina, Montenegro, Macedonia, Kosovo) is still in the minority (35.4 per cent of registered departures in 1981), in spite of the authorities' efforts to share out foreign job vacancies more equitably.

The departure potential is still high as a result of a complex blend of structural and cyclical factors:

-- The increase in human and skill resources which is itself due to the continuing rise in the working-age population, the permanent flight from the land and the impact of universal education. Not all of these resources can be absorbed nationally (950 000 registered jobseekers or 13.5 per cent of the working population, not counting private farmers) [OECD (1984, p. 31)];

-- The chronic inflationary strain (60 per cent inflation at the end of 1983), the widening gap between the cost of living and wages, and the depreciation of the national currency. The spread of Yugoslav migrants throughout Europe can only heighten an awareness of the disparities with the Western employment countries and sustain an autonomous pattern of legal or illegal departures in their direction.

It should be added that the law on the protection of Yugoslav nationals "temporarily employed abroad" and other measures and international agreements ought to have allowed, in the opinion of Yugoslav authorities, the development of an active global policy on return and reinsertion. However, the almost complete absence of adequate special provision on the part of the receiving countries for co-operation on employment creation in Yugoslavia has hindered this global strategy.

A very high migratory potential: Turkey

Of all the countries in OECD Europe, Turkey has experienced the greatest surge of emigration to Western Europe since 1970-73 and has the highest departure potential of anywhere on the southern coast of Europe. The migratory thrust may be summed up in two figures: about 660 000 Turks in Europe in 1971-72, over 2 million in 1983. This threefold increase occurred against a theoretically discouraging background for migration and in spite of the return of over 400 000 migrants since the beginning of the 1980s. It reflects both the extent of family reunification and the high fertility of Turkish families abroad, and also the ability of this new working-class emigration to adapt to an economic situation that had become difficult.

The entry flow was greatest in Germany (1.4 million from 1973 to 1983, compared with 836 000 Italians, although Italy and Turkey have a relatively comparable demographic weight and proportion of migrants in Germany, and

Italians enjoy intra-Community freedom of movement). The rise in Turkish emigration to that country, the role of family emigration and of population growth in situ, and the impact of the measures taken as of 1980 to restrict the arrival of families and finally halt this migration altogether are discussed elsewhere. Suffice it to say that, of all the Mediterranean labour-supplying countries, Turkey is the only one to have had a positive net migratory balance for entries to Germany from 1975 to 1983 (+184 000). This shows not only the intensity of migratory pressure in Turkey, but also the adaptability of these emigrants, who are prepared to use every means of entry. Of the 55 000 Turks who obtained a first-time work permit between 1974 and 1983, nearly half (29 400) arrived in 1980 by using the political asylum procedure. This practice ended after the German decision not to grant a work permit to political asylum seekers for their first year.

Another proof of adaptability is provided by the development of migration to other second-choice settlement centres. This switch and dispersion movement, which we have already observed for the Portuguese and to a smaller extent the Yugoslavs, has been much in evidence for the Turks during the last decade. The increase in the Turkish population is noticeable in France (53 000 at the 1975 census, 123 000 in 1982), where Turks are both the youngest community (one out of every two Turks is under 30) and the most recent arrivals (41 per cent lived outside France in 1975). Their dependency ratio (3.35) is the highest of all alien groups [Hemery (1985)]. There was also a large increase in Belgium (80 000 in 1982), and the Netherlands (71 000 in 1975, 155 000 in 1983), and also in Austria, Switzerland and Sweden. The numbers recorded in these countries increased by over 300 000 from 1975 to 1983. This extension and diversification of Turkish migration, which in 1970 was highly concentrated on Germany, are among the striking features of the new migratory geography of Southern Europe in 1986.

Everything contributes to make contemporary Turkey the main reservoir for migrants in OECD Europe. Its rate of natural increase is twice as high as the average for the other European Mediterranean countries (average annual net increase over ten years: 2.2) and there are still very few signs of any drop in fertility. Its employment market is completely saturated (16.5 per cent unemployment) and agriculture -- with 58 per cent of the working population -- still has reserves which will not be found anywhere else in the Southern European countries (11 per cent in Italy, 18 per cent in Spain, 24 per cent in Portugal). Inflation is high, as is the difference between the Turkish standard of living and that in the employment countries (private per capita consumption is $769 in Turkey, against an average of $6 800 for the three main receiving countries).

All these demographic/economic factors, not forgetting individual aspirations, can only maintain and swell departure flows which are limited solely by the attitude of the North-west European countries.

B. OVERSEAS MIGRATION

North-west Europe's priority in attracting emigrants from the South since the Second World War should not disguise the fact that Southern Europe has continued to send manpower and population to other continents often far

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distant from the Mediterranean. Admittedly, overseas migration is now no longer as large as it was at the beginning of the century: it should be remembered that on the eve of the First World War 200 000 to 600 000 Italians embarked every year for the Americas and it is estimated that 1.1 million Portuguese crossed the Atlantic between 1900 and 1930. While these flows fell after the Second World War owing to competition from the European labour market, they are still sufficiently strong today for the following numbers to be counted outside Europe: over 1.7 million Spaniards, 2.5 million Portuguese, more than 3 million Italians, 350 000 Yugoslavs, 300 000 Greeks and nearly 100 000 Turks. The impact of the world economic recession and the restrictive measures taken by almost all the countries traditionally receiving Southern Europeans has, as in Europe, affected the extent of these movements, although they have never actually stopped. There has perhaps been a switch to Euromigration from overseas migration -- this appears to be the case in Italy and Portugal. In the mid 1980s, we can put the number of annual departures at about 70 000, of which over half are provided by Italy (some 20 000) and Portugal (15 000), the contribution of the other countries being less than 10 000 each. The continuation of this by no means negligible total flow is another sign of the migratory urge which still exists in varying degrees in this OECD region, but it also shows the persistence and resistance of this migration network, part of which belongs to a centuries-old tradition. Whatever the actual strength of demographic pressure, people continue to settle abroad if such is the local or regional custom.

It is indeed essential to stress the peculiar nature of these areas which supply overseas migration: they rarely coincide with the departure centres for Western Europe, and their geography is distinctive. Thus, in Spain, migrants come from the islands (Balearic and Canaries), the Vigo region (whose port is still the point of embarkation for Brazil), and the major urban metropoles (Madrid and Barcelona). The Portuguese who go to the United States come from the Madeira archipelago, the North of Tras-os-Montes, the Murtosa area and Alcobaça, while those who go to Venezuela come from Madeira but also the Ria d'Aveiro region [Arroteia (1985)]. In Greece, too, the geographical distribution of migration is very concentrated, with departures overseas coming essentially from the South and the islands, while the flows to Europe come from Macedonia and the Athens area.

Overseas migration is currently viewed as being different in demographic content, duration and intention from the flows to Europe. It usually consists of family emigration (over 50 per cent), which is long-term, if not permanent. The contrast between the two types of movement may be in the process of disappearing, and a phenomenon of convergence has been emerging here for the last 15 years: migration to Europe is tending to become semi-permanent and to consist mainly of families, whereas migration to distant countries is less final than is usually thought, the case of Australia being illustrative of this trend (6).

Here again, a distinction must be made within Southern Europe between several migratory situations depending on the tradition of overseas migration and its development over time and in space. Two particular types may be differentiated from West to East of the Mediterranean.

The older sending countries in the Western Mediterranean

For well-known historical, linguistic and religious reasons, most emigrants from the Western part of the Mediterranean basin have for long been going to the Catholic Latin countries in Central and Southern America. This explains the size of the communities that have settled in Argentina (1 300 000 Italians, 900 000 Spaniards and 60 000 Portuguese), Uruguay (80 000 Spaniards), Brazil (366 000 Italians, 118 000 Spaniards and 620 000 Portuguese) and, more recently, Venezuela (400 000 Spaniards, 110 000 Portuguese and 200 000 Italians). The movement to this last country, which has substantial oil revenues, shows features of both the traditional and the new type of emigration: illegal entries from Southern Europe (notably Portugal) are in any event not uncommon.

The closing of these traditional outlets in Latin America during the 1960s and 1970s was responsible for a redirection of these flows to the mainly English-speaking countries; hence the existence of new communities of Portuguese in Canada (150 000), the United States (160 000) and South Africa (60 000), and of Spaniards and Italians (300 000) in Australia. Italian migration to the United States is a long-established fact since there are now over 15 million American citizens of Italian origin; the movement has never ceased and the United States is still one of the main host countries for Italians settling overseas.

The new sending countries in the Eastern Mediterranean

Overseas emigration from the eastern Mediterranean is quite different from the movement observed to the west. To begin with, the urge to settle overseas is more recent and therefore does not have the historical hold and depth found in Portugal or Italy. Even though the first departures date back to before 1914 in a few parts of Greece and Yugoslavia, their flow has only really begun to assume any substantial proportions since 1955 (this is the case for Greece, where there were 438 000 departures between 1950 and 1977, Yugoslavia and, even more recently, Turkey). Secondly, the migratory areas were established directly in the mainly English-speaking countries (United States, Canada, Australia) with no previous settlement in Latin America or elsewhere. Yugoslavia today undoubtedly has the largest community outside Europe: in 1977, there were 182 000 Yugoslavs in Australia, 88 000 in Canada, 46 000 in the United States and 30 000 in other countries [SOPEMI (1978)].

Overseas migration is resilient and yet limited, in part indirectly by the impact of the recession on the industrialised countries in the New World, and in part directly by the quotas placed on the admission of European nationals.

C. THE ARAB OIL COUNTRIES

Whereas the first and second oil shocks had adverse effects on the Western economies and hence on migration, the higher oil prices resulted in large-scale transfers of resources to oil-producing countries in the eastern and southern Mediterranean, and a considerable demand for foreign manpower.

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Over the last 15 years, Arab oil earnings surged, from $8 billion in 1970 to $65 billion in 1974 and $170 billion in 1980. Oil producers' development policies overturned their countries' traditional economies and geography, with large-scale agricultural works in Libya, port infrastructures in Saudi Arabia (costing $900 million), airports, motorways, oil and gas pipelines, petrochemical refineries and platforms, foundries (Dubai: $600 million), shipyards (Bahrain: $500 million), and large-scale urban social and cultural developments. Few regions in the world have experienced so intensive a development drive in so short a period. The cities have been the focal points for rapid, sudden modernisation: the population of Riyadh has risen from 430 000 in 1974 to 1 million today; Abu Dhabi has mushroomed from 5 000 in 1964 to 400 000. Between 60 and 90 per cent of total populations are now urban [CERMOC (1985)].

In countries with nothing like the labour force to meet so enormous a supply of jobs, a new migration system has grown up in which the recruitment area covers not only the region's poorer countries but extends beyond the Mediterranean, to Southern Asia and the Far East. The number of immigrant workers in Arab oil countries has grown rapidly, from 1 million in 1970 to between 6 and 7 million in 1985 [Beaugé (1985)]. The latter figure shows that the size of the foreign labour force living in that part of the world is increasingly comparable with the numbers now in Western Europe. On the other hand, the proportion of foreigners in the labour force in certain countries has attained values unknown in the European countries -- over 30 per cent in Libya and Saudi Arabia, over 50 per cent in Kuwait, over 75 per cent in Qatar and 80 per cent in Bahrain.

Limited participation of Southern Europeans

The South European emigration countries taken together have benefited very little from these new employment possibilities. In 1985, workers from the six OECD countries totalled under 400 000, or one-tenth of the immigrant manpower in oil-producing countries, most of whom came from the poor countries of the region (Egypt, Jordan, Syria, Lebanon, North and South Yemen and Sudan), though also increasingly from Asia. This extension of migration areas to the Far East seems altogether characteristic of the present-day internationalisation of labour markets in areas outside the planned economies. Only two Southern European countries are significantly affected: Yugoslavia with 40 000 migrants and more especially Turkey, with between 200 000 and 250 000; other countries have taken smaller shares (under 30 000 each for Italy and Spain, and under 10 000 for Greece and Portugal) (see further below).

The "new emigration" began in 1974 and 1975, coinciding with the signature of large contracts between oil-producing countries and the countries of Southern Europe. Threatened by the crisis, firms and governments combined their efforts to obtain construction contracts in the oil countries where the needs were considerable. In 1981, for example, Turkish companies signed contracts worth over $7 billion with Arab countries, and by the end of 1983, over 260 Turkish firms were operating in Saudi Arabia, Iraq and Libya. These firms, mainly employing their own nationals, are the main source of the new migrant flows, 90 per cent of Turkish workers in Iraq and Libya being employed by Turkish firms, and 40 per cent in Saudi Arabia. The same applies to the Greeks, Yugoslavs, Italians and Spanish. The role of these firms as sending countries in the export of their nationals is a special feature of contemporary emigration, and a factor distinguishing it from the flow pattern towards Western Europe.

This kind of "building site" emigration has other features of its own, involving short stays, rapid manpower turnover and migrants who are nearly all male and employed. Family migration, which is discouraged as receiving country policy, is very rare. This would suggest the classic characteristics of the start of temporary emigration from Southern Europe between 1945 and 1960, but the comparison stops there. In this case, recruitment takes place within the country of origin and many of these newer types of migrant are quite highly skilled (two-thirds of those leaving to work in the Arab countries are skilled in building, e.g. foreman, joiner, plasterer, carpenter, electrician, etc.). With the exception of Turkey, these skilled manpower flows derive from the most industrialised regions and main economic centres in the sending countries since they are the greatest reservoirs of trained and experienced manpower and also no doubt because potential migrants there are in closer touch with the firms likely to employ them. Recruitment procedures are somewhat complex and are described in more detail below.

An uncertain future

There have been several imponderables since the early 1980s concerning the future of this migration. The first and most important is the decline in earnings as the oil price and the dollar exchange rate fall. Kuwait, for example, which employs very few Southern European workers, has seen its earnings fall from $19 billion in 1980 to $9 billion in 1985, Quatar from $7.5 billion in 1980 to $3 billion in 1985. All the oil-exporting countries, and especially Saudi Arabia, have been revising their major investment programmes downward and mothballing large industrial projects, with obvious consequences for the employment of foreigners in general and Southern Europeans in particular.

The second cause of uncertainty indeed arises because South European migrants seem most threatened in the present situation, owing to the kind of work they do. As we have seen, large-scale development and construction constitute by far the main sector of activity for European manpower: over 90 per cent of Turkish workers in Saudi Arabia and Libya are employed in building and public works, while 59 per cent of Spanish migrants in oil countries are working on large construction sites. So it is to be feared that any prolonged reduction in investment may lead to a contraction in these types of cyclical employment, linked directly to trends in oil production; this has already been noticeable, especially in regard to Libya. The same does not apply to the highly qualified, management level personnel, many from the Western countries (3 000 Americans in Libya), nor to the unskilled workers of Arab or Asian origin who work in ordinary service activities and thus play a quasi structural role in the economic and social functioning of the oil countries.

Uncertainties also hang over the political future of this region, where risks of upheaval are high. Prolongation of the appalling conflict between Iran and Iraq, which has already caused over 400 000 casualties, and its threat to the Gulf States, together with attempts to destabilise the Saudi regime, may obviously alter the major economic and social balances. In this part of the world, politics and geopolitics are a constant, unforeseeable influence on the economy, with all the obvious consequences for the future of international labour migration, from Europe and elsewhere.

III. RETURNS

With the development and the persistence of the economic crisis, the increase in unemployment, to which foreign workers are particularly vulnerable, might have prompted large-scale homeward flows. The reality has been very different. After a wave of returns in 1974 and 1975, the broad trend until recent years has been a decline in returns to country and region of origin. As for departures, each country and group of countries evolves its own pattern, depending on the kind of relations it has formed with the host country or countries.

A. PROBLEMS OF DEFINITION AND QUANTIFICATION

The uncertainty so often associated with the question of returns stems both from conceptual ambiguity, as shifts of meaning are not unusual, and from the difficulty of proper statistical assessment.

The first difficulty arises from the length of stay on return, and whether or not return is permanent. At first sight it is easy to distinguish between an annual return (on holiday) and a definitive return, but finality is in fact much less clearcut than is generally thought, even by the migrant himself. Many returning migrants find themselves in circumstances which seem to leave no option but to go back to the host country if administratively practicable or even illicitly. So between the situations of annual return and definitive, irreversible return an intermediate situation of "return-rotation" has been defined, in which the migrant returns for a few months or a few years and then departs again, and so on. This form of mobility is more frequent than is generally supposed.

The second difficulty lies in the economic significance of "return". Not all returning migrants rejoin the labour force in the economy of their country of origin. Migrants often return for retirement (the age varies from one society to another), or semi-retirement, or perhaps live on unearned income. In this paper, while "return" covers all these possibilities, "re-settlement" refers only to those rejoining the labour force in the economy of their country of origin.

The difficulties and gaps in the European statistics on returns stem partly from conceptual ambiguity and partly from inadequate monitoring facilities in receiving and, especially, sending countries. Some countries employing Mediterranean workers (Germany, Switzerland, the Netherlands) maintain up-to-date statistics for annual departures of foreigners, but even in the opinion of the services concerned, movements seem to be underestimated and there can be no certainty that a migrant has returned for good. In France a reliable study on the assessment of returns has become available for the first time; it is based on the evolution of the foreign population between two censuses (1975-82) and on a count of entries adjusted by birth and death as well as changes of nationality [Lebon (1985)].

Certain sending countries, Italy, Spain and Turkey for example, have introduced procedures for reporting returns. Others, such as Portugal and Yugoslavia, have not done so, while Greece discontinued one in 1977. For reporting countries it must be stressed that the observed flows are officially notified movements only and that spontaneous flows of migrants who do not apply to the authorities are not being picked up, which means that total flows are being underestimated. Sending countries encounter the same difficulties as receiving countries in assessing whether or not a migrant has returned for good.

Information is also lacking about other characteristics of the population returning to Mediterranean countries, for example age distribution, activity rates, sectors and locations of re-entry, the family situation and whether a returning migrant worker is accompanied by any family. There are no certainties, based on reliable figures, in this area. Everything is a matter of estimates and approximations, so the most we can do is identify some trends and make some assumptions.

B. A GENERAL TENDENCY FOR RETURNS TO DIMINISH

This observation may seem paradoxical in view of the present climate in the receiving countries, where there is much talk of returning migrants to their country of origin. Yet in all the countries of Mediterranean Europe, except for Turkey and perhaps Portugal, the underlying trend since 1974 has been a decline in returns.

Italy: Over 100 000 on average for the period 1970-1980, 87 000 in 1983;

Spain: 110 000 in 1975, 36 000 in 1979, 28 000 per year between 1979 and 1982, 18 000 in 1983;

Yugoslavia: 102 000 departures from Germany in 1974, 48 000 in 1977, 36 000 in 1983;

Greece: 48 000 departures from Germany in 1974, 29 000 in 1979, 18 000 in 1983;

Portugal: No official statistics are available and annual homeward flows seem relatively stable, perhaps rising slightly since 1980: 14 000 departures from Germany in 1974, 5 800 in 1979, 9 400 in 1983; an annual average of 20 800 from France between 1975 and 1982, suggesting that the official Portuguese estimate for 1984 (25 000) is probably a slight underestimate;

Turkey: According to German statistics, homeward flows surged in 1975 and 1976 (148 000 and 130 000 departures) then fell, levelling off in

1979 and 1980 (66 000 and 70 000) to pick up sharply again two years later (86 000 in 1982, 100 000 in 1983 and 90 000 in the first six months of 1985).

With the exception of the recent trend for Portugal and Turkey, a slackening in homeward flows since 1974 appears to have been a general feature for Southern Europe. Several structural and cyclical developments are constantly operating that account for this trend decline in homeward flows to Southern Europe.

The end of the great waves of migration and the curb on immigration

The reduction in arrivals recorded in North-western Europe as of 1973 and 1974 had an almost mechanical impact on the return trend, but in several countries (Greece, Italy and Spain) it was the drying up of the migrant potential which pulled down homeward flows rather than the curbs applied in host countries (see Section I).

Declining returns to Italy are wholly representative of the continuing shrinkage over 25 years in Italy's migrant potential and departure flows: in 1961, Italy had 329 000 departures and 219 000 returns; in 1972, 141 000 departures and 138 000 returns, in 1983, 98 000 departures and 85 000 returns. The trend was similar for the Spanish population in France between 1962 and 1974: a study in 1977 found that returns had amounted to 371 300 for the period as a whole [Tapinos (1977, p. 6)]. The substantial volume of returns marked the end of the long period of Spanish migration to France. Between 1966 and 1972 returns were most numerous, but they had begun to slacken off before economic slowdown. The absence of any correlation between the onset of the economic crisis and the curb on worker immigration must be emphasised because it clearly shows that the return process is autonomous, corresponding to the emigration forces in the individual departure countries.

Restrictive policies applied in the North clearly accelerated returns, especially in countries whose migratory potential was already declining (Spain, Italy and Greece), but their main influence was upon a particular type of migration between South and North, the rotation or "turnover" migration commonplace before the crisis. In 1971, for example, half (51 per cent) of the returning Italian migrants had stayed less than one year abroad. Restrictions on entry into traditional destinations for Mediterranean migrants brought this type of return to an end, discouraging departures and imposing a much more difficult choice on the immigrant -- between settling in the host country for good or returning to his own country for good. Italians were the only migrants to continue "turnover" migration within the EEC, and in 1978 nearly three-quarters (73.2 per cent) of those returning from Germany had worked there for under three years.

Limited effect of the crisis, and of policies to encourage permanent returns

The cyclical returns brought about by the crisis involved the element of Mediterranean manpower that was least well integrated, occupationally and socially, into the countries of the North. On the whole it was the least skilled migrants, unemployed workers, unskilled building and public works labourers, and those in industries affected by restructuring, who were worst affected by the economic downturn and chose, or found themselves obliged, to return. The Yugoslav SOPEMI correspondent reported in 1977 that unskilled migrants were over-represented among workers returning in 1976 and 1977 (75 per cent unskilled, as against 42 per cent for the whole of the Yugoslav workforce in a 1971 census).

However, two factors softened the impact of the crisis on the economic situation of immigrants, European or not, in North-western Europe -- the social welfare system and moonlighting (the one not excluding the other). Even if the social welfare system functions less effectively for foreigners than for nationals, it has certainly helped to stabilise the threatened proportion of the foreign labour force, and to slow down homeward flows to countries of origin so that there has been nothing like the large-scale movements back to Southern Europe observed during the 1929-32 Depression. For many, temporary work and moonlighting supplemented welfare benefits. Not all the information available on this subject is consistent, but the extent of immigrant employment in underground economies is well known. In France, 400 000 foreigners are thought to be working permanently or partly in the underground economy. Though they do not solve the problem of unemployment among foreigners (11 per cent of the foreign labour force in France), the various factors of social welfare, temporary work and moonlighting together provide enough income to stabilise the foreign labour force and discourage it from returning home permanently.

The decline or disappearance of permanent salaried jobs has not brought large-scale flows back to the South because many Mediterranean immigrants, European or not, have established themselves in independent activities attracting less administrative attention. The proliferation of small foreign businesses in the major European cities since 1974 and 1975 is no mere coincidence. The opening up of Mediterranean restaurants cannot be explained only by a new-found taste for exotic cuisine. The growing number of foreigners in retailing and the substitution of foreigners for nationals are not altogether due to the crisis facing the smaller shopkeeper in competition with big supermarkets, but also show that over the last ten years, the independent sector has been a haven for that section of the foreign labour force under strongest pressure in the wage-earning jobs market. Accordingly it would be a mistake to interpret the decline in the number of Mediterranean wage-earners in Germany (Table 1) as reflecting numbers of migrants returning home for good, because although migrants undoubtedly have returned, in considerable numbers in the case of certain groups (Spanish, Greek), that should not cause us to lose sight of the many Italian, Turkish and probably Yugoslav workers shifting to independent activities or to the "informal" sector, without underestimating either the reality of foreign unemployment.

In France, Southern Europeans have been moving into the independent sector mainly in the craft trades and in family businesses in building and public works, those involved being Italians and, to a lesser extent, Spanish and Portuguese (7). Names like Hernandez and Fernandez have come to symbolise a new generation of entrepreneurs in construction and public works, some managing to build up far more than a local or regional clientèle. In the employment crisis the independent sector has played a dual role as shock absorber not only for immigrants building up or taking over small businesses, but also for their families and friends, and others linked by systems of family or neighbourhood relationships in the country of origin.

Table 1

TREND IN NUMBERS OF FOREIGN WAGE-EARNERS IN GERMANY
(September 1973 - December 1982)

	1973		1982		Wage-earning balance 1973-82	
	Number (000s)	%	Number (000s)	%	Number (000s)	%
Greek	250	11.8	112	8.6	-138	-55.2
Italian	450	21.3	235	18.0	214	-47.7
Portuguese	85	4.0	42	3.2	-42	-50.4
Spanish	190	9.0	74	5.7	-116	-61.0
Turkish	605	28.6	541	41.4	-64	-10.6
Yugoslav	535	25.3	303	23.1	-232	-43.4
TOTAL	2 115	100.0	1 307	100.0	-808	-38.2

Source: SOPEMI.

This gradual movement into the independent and tertiary sectors also indicates a process of settling down for the Mediterranean communities in Western Europe. Family reunification over the last ten years, childbearing in the host country, the growth of new generations born or brought up and educated in the host country are known to have settled these populations more firmly, making any idea of returning for good even more remote. Family settlement is well illustrated by the vigorous growth of the Turkish community in Germany since 1974, from 1 027 000 in September 1974 to 1 268 000 in 1979 and 1 580 000 in 1982, and on a smaller scale in France where the number of males has practically doubled (37 790 to 72 060) whereas the number of females has almost quadrupled (13 070 in 1975, 51 480 in 1982) and the sex ratio has declined from 2.89 in 1975 to 1.39 seven years later. A further indicator of family settlement is the appreciable reduction in the number of workers' children normally remaining in the country of origin. Between 1975 and 1981, the number of children of Portuguese immigrants in France remaining behind in Portugal declined by 51.2 per cent, while the children of Turkish immigrants in Germany remaining behind declined by 42 per cent [Charbit and Bertrand (1985)]. All surveys show that immigrants' children, and especially daughters, have very little intention of returning. Accordingly it becomes clear that the percentage of the population liable to be tempted to return for good can only decline over the years ahead.

This makes it easier to understand why German and, especially, French policies to encourage migrants to return have had little or no impact. Between 1977 and 1980 fewer than 80 000 foreigners availed themselves of the incentives to leave France, and of those a minority were from Southern Europe. The incentives took the form of a FF 10 000 grant to every migrant worker having resided more than five years in France, plus FF 5 000 per member of the family. A study of Portuguese migrants returning to Portugal under the scheme shows that the specific impact was in fact very limited, since two-thirds of those interviewed had never seriously thought about settling permanently in France and the great majority had left their immediate family in Portugal. Very few of them were young, more than half were aged over 45 and more than one-third over 50; some of these were clearly taking a kind of early retirement. It seems fairly clear that with very few exceptions, the French incentive scheme at that time was accompanying the natural, spontaneous tendency to return characterising Portuguese emigration from the outset, and seems never to have really caused any returns but rather to have prompted some migrants to return sooner than they would otherwise. The same may be true of other European countries employing Mediterranean workers. In France the effects of the recent system of aid for reinsertion (1983-84) -- more elaborate than its predecessor -- have not been sufficiently evaluated; as far as Southern Europe is concerned, they seem to be fairly limited [e.g. SOPEMI (1984, Part I, section on France)].

C. RESETTLEMENT IN SOUTHERN EUROPE: MYTHS AND REALITIES

Resettlement has been a talking point for governments of origin and a major talking point for host governments -- certainly more for them than for migrants themselves. Resettlement is not only a sign and symbol of returning to the motherland for those effectively wishing to do so, but some have hoped that it would also play some part in fostering the economic growth of the regions and countries of origin. The reality is more modest.

Before mentioning ways in which migrants resettle, the point must be made at the outset that not much is known about the conditions under which returning migrants do go back to work in their own countries. In view of the age at which they return, what is the position of those taking retirement or semi-retirement, the latter apparently being quite common from the ages of 52 to 55? How many of those genuinely looking for work cannot find any? Insofar as those who return are usually the least skilled, they are all the more vulnerable to competition from the excess manpower, much of it younger, already on the labour market. A survey conducted in the Mezzogiorno found that 54 per cent of migrants had experienced unemployment since returning, 34 per cent being unemployed for under six months, regardless of age-group or occupation [Musillo (1981)].

The few detailed surveys of resettlement all suggest that returning migrants are reluctant to take wage-earning employment and look for some kind of independent activity. The returning migrant wishes not only to be his own boss, but also not to have to put up with the constraints of working shifts, and at rates and speeds dictated by the industrial mode of production, the underlying motivation being that most have been unwilling labourers and wish, on returning, to acquire independent status which they see as conferring a new occupational and social identity.

Considerable numbers of migrants return to agriculture -- 38 per cent of Portuguese according to the Secretariat of State for Emigration, 58 per cent according to re-entry records processed by the French National Immigration Office in 1985; 57 per cent of Spanish and 44 per cent of Turkish according to the same French source (53 per cent according a 1979 survey of the Black Sea coast [Toepfer (1980, pp. 206-14)], 66 per cent of Yugoslavs according to the SOPEMI correspondent (1976). Although these rates of return to the land seem very high, they are not surprising in view of the predominantly rural and farming backgrounds from which migrants originate.

The abandonment of agriculture is less pronounced on the northern coast of the Mediterranean than on the southern coast in the countries of Maghreb, and it is interesting to consider why the farming sector leads in attracting the returning migrant. Is it an economic function based on savings built up abroad, enabling the migrant both to provide employment and to improve the productivity of the individual or family holding? But the agricultural sector is surely also a haven for all who fail to enter any of the other branches of economic activity and go back to the land as a last resort, while at the same time feeling emotionally that they have come home again to where they really belong.

A decline in agricultural activity and shifts to other types of activity can, however, be observed everywhere. The Italian survey mentioned above shows that agriculture in the south, which employed 44 per cent of migrants before their departure abroad, employed only 22 per cent following their return [Musillo (1981)], and that proportion is consistent with the average agricultural employment in Southern Italy (28 per cent of regional employment in 1978). The movement away from agriculture in all the sending countries is mainly directed towards the tertiary sector rather than towards industry.

The proportion of returning migrants going into industry is very low for the reasons mentioned above (rejection of industrial work and lifestyle), and also because most departure centres are industrially underdeveloped (the hinterlands of Northern Portugal and of Galicia, the Mezzogiorno, Bosnia-Herzegovina, Eastern Anatolia). The autonomous region of Friuli-Venezia Giulia in North-East Italy, studied in 1980 by the OECD Working Party on Migration, seems to be something of an exception within the general picture of Southern Europe. The scale of returns to building and the manufacturing sector there was found to be associated with an unusual regional balance, with the reconstruction plan after the severe earthquake of 1976 generating a considerable demand for labour, the presence of small industries based on a rural and artisan middle class, and the allowance for migration as a variable in the regional authority's development plan (grants, building loans, creation of co-operatives). But even in this case agriculture continues to be important for returning migrants, not as a haven but as a safety net where farm earnings supplement those from employment in workshops and small industries scattered throughout the rural area. The link between part-time farming and rural industry for returning migrants is in many ways reminiscent of the organisation of work and lifestyle to be found in certain areas of Japan on the outskirts of the larger conurbations (the Kwanto plain north of Tokyo).

Friuli-Venezia Giulia apart, the predominant pattern for returning Mediterranean migrants is employment in distribution and other services. Management of retail outlets (food and other), passenger and freight transport were the types of employment to which 36 per cent of Italians canvassed in the Mezziogiorno said they would like to return [Musillo (1981)], 36.8 per cent of Spanish migrants filing a return with the French ONI, 24.1 per cent of Portuguese and from 36.8 to 44 per cent of Turkish workers. Sectoral mobility, between the pre-migration phase and the permanent return, is also accompanied by a considerable shift of capital saved abroad from the countryside to the urban centres and especially to the regional capitals [Toepfer (1980)]. This spatial dimension is an important aspect of returns and will be discussed in Section IV below.

In reality, and the point must be stressed, returning migrants resettle in a much more flexible and complex way than is generally realised within what we may call the "composite" Mediterranean economy in which the individual, often of rural origin, simultaneously combines earnings from a small agricultural holding or a small business with less readily admitted earnings from undeclared work in a community where families have several forms of employment. In the Mezziogiorno survey, 46 per cent of returning migrants interviewed admitted having a second or underground job. The reality and importance of the black or parallel economy is no longer questioned for OECD countries and particularly for Southern Europe. By combining earnings from various sources, the returning migrant in Southern Italy achieves an income twice as high as the official income for the region. Most probably the composite income pattern would apply equally to returning migrants elsewhere in southern Europe.

What has been the real impact of government measures by countries of origin to facilitate migrant resettlement? Schemes vary from one country to another and cannot easily be summarised. The most common measures are:

-- Lower customs duties and facilities on imports of equipment for resettlement (Greece, Portugal);

-- The creation of regional development companies (Italy, Portugal) and support for the funding of enterprises created by migrants or which may recruit them upon their final return (Yugoslavia, Turkey), grants to employers (Greece, Spain);

-- Fiscal and monetary incentives to invest in the country, accounts in foreign currencies, sometimes transferable, interest-bearing accounts;

-- Introduction of a resettlement solidarity fund (Spain, Yugoslavia), entitlement to unemployment benefits (Greece, Italy, Spain);

-- Official placement services and labour market re-entry offices (Greece);

-- Better material and family environment: housing aid (Greece, Turkey), re-admission of children to the school system (Portugal, Greece, Turkey), recognition of diplomas, etc.

Direct field surveys suggest that the part these measures can play in successful economic and social resettlement is ultimately one of supporting a number of processes whose mainsprings depend on individual, family or regional group strategies and which tend to defy logic and escape the influence of governments and administrations. Yugoslavia seems typical of the prevailing resettlement situation in southern Europe. It was probably the first country to address resettlement seriously, and seems to have introduced the fullest arrangements for resettlement of what were originally regarded as temporary migrants. The measures taken under the law on the protection of Yugoslavs "temporarily employed abroad" give these citizens and their families broad social security coverage and facilitate their reintegration into the national economy. According to the 1981 Census, 178 000 people have found work in their native land over the previous five years: 125 000 in the state sector and 53 000 in the private sector.

The only field in which government action seems to have been genuinely decisive is repatriation of savings built up by the migrant abroad, a matter in which all governments in the south have a legitimate interest. Any miscalculation here (undue disparity between real and official exchange rates, unreasonable taxes) is immediately reflected and penalised in reduced transfers.

Experiments under way in Northern Portugal, Andalusia and Friuli suggest that integrated action to resettle migrants is best undertaken at the level of the region of departure, and this presupposes that local authorities do actually have the necessary powers and resources to apply their migration policy successfully.

D. LIMITED OVERALL RETURN POTENTIALS

Can countries be classified according to their return potential, in the same way as we tried to classify them for departures? Not easily, partly because the return movement depends on the level of departures and it is difficult to anticipate the consequences of the access of Greece, then Spain and Portugal in 1993, to free movement within the EEC. Similarly, it is difficult to foresee how the economic disparities between receiving and sending countries within the OECD are likely to evolve. At most, the recent trends may be projected over the five years ahead, distinguishing countries whose return potential is drying up, countries whose return potential is declining, and countries whose potential is probably still high.

Return potentials drying up

Two countries, Greece and Spain, seem to fit into this category. Greece has probably experienced the largest return movement, proportional to its migrant population, in southern Europe. The homeward flow started to surge in 1968, before the reversal of migration policies in Europe: the annual return rate would have been higher than that observed for the other groups. There have since been signs that the crest of the wave has passed, and that the majority of those wishing to return have done so, so that the movement is now residual. The growth of immigration into Greece is a further sign of this predictable trend.

Spain also experienced large homeward flows in the early 1970s and seems to be exhausting the return potential of its migrants in Europe. A five-yearly survey by the Spanish Emigration Institute shows that intentions to return have declined sharply since the end of the 1970s. The number contemplating a permanent return over the next five years fell from 30 per cent in 1978 to 13 per cent in 1983; those planning to return within less than one year were only 4 per cent in 1983, as against 12 per cent in 1978. Settlement and integration within the host country seem to have become the main reasons for not returning, since 83.3 per cent of respondents give family reasons for their decision to remain, as against 31 per cent giving economic factors relative to the situation in Spain.

Significant but declining return potentials

Italy and Portugal have been recording a decline in homeward flows but have not yet exhausted the full potential.

The EEC system, which has enabled Italy to maintain proportionately larger outward flows than the rest of the southern OECD area, is to some extent responsible for the return potential still remaining in Northern Europe. However, this movement is currently tending downwards as settlement continues in host countries, and especially France, where Italians lead in applications for naturalisation.

The case of Portugal is more difficult to interpret. The Portuguese authorities (Secretariat of State for Emigration) anticipate that returns will decline from 42 000 a year for the period 1981 to 1985 to 36 000 a year for 1986-90, but the return rate for the Portuguese in France has up to now been very low (2.5 per cent per year). Emigration into Europe is in fact very recent and nobody can yet tell how the first generation of migrants will approach the question of returning. So an increase in homeward flows cannot be ruled out. However, the maintenance of a marked disparity between Portugal and the host country economies hardly suggests any large-scale return on the part of working-age Portuguese. Propensity to return will probably increase when the first generation migrants approach retirement, but if so, families can be expected to divide between a retirement and holiday home in Portugal while the children reside in France, an arrangement which will be facilitated by EEC freedom of movement.

Non-EEC countries: more returns probable

The Yugoslav and, especially, Turkish communities have the greatest return probabilities, not so much because of internal trends in national economies or changing attitudes in communities abroad but because their non-EEC status is precarious, and they are sensitive to incentives introduced since 1983 in North-western Europe and especially Germany, the main host country for Yugoslav and Turkish migrants.

The decline in the Yugoslav population in Germany shows a certain tendency for Yugoslav migrants to return, as demonstrated by the latest Yugoslav census (1981). However, several statistical indicators show that the Yugoslav migrant's propensity to return is the lowest among the six Mediterranean communities in Germany (40 000 departures in 1981, 20 000 in 1984). Economic difficulties in Yugoslavia (declining purchasing power, sharp increase in job-seekers) must have had some influence, but although an agreement between Germany and Yugoslavia gives Yugoslavs relative security of residence, the possibility of new measures encouraging workers and families to return cannot be ruled out altogether.

The tendency is already very noticeable among the Turkish community in Germany, where measures taken by the Federal authorities have made their effects felt since 1982, with 70 000 returns in 1981, 86 000 in 1982, 100 000 in 1983, 92 000 including 44 000 males for the first six months of 1984. If accentuated, this homeward flow would create serious difficulties within one of the OECD's least developed countries.

IV. THE GROWING THRUST OF THE THIRD WORLD: CLANDESTINE IMMIGRATION INTO SOUTHERN EUROPE

Surprisingly, immigration has become the most important migration issue in the traditional departure countries of Italy, Spain and, to a lesser extent, Greece and Portugal. This seems paradoxical but is not exceptional since other Mediterranean countries such as Jordan and Lebanon before the civil war (1975) have in fact had the same experience, while in some of North-western Europe's host countries (France, Germany, Netherlands and especially the United Kingdom) emigration and immigration have occurred together for some time. Attention must be drawn to two important features of the situation in southern Europe: the marked increase in clandestine immigration since the early 1970s and the special role of clandestine workers in the black economy. The growing visibility of clandestine immigration has recently prompted national authorities to review the problem and, in certain cases, to formulate regulatory arrangements. Many of these have been markedly ambiguous in comparison with the traditional position on migration, but the question arises of whether they will be substantial enough to halt what now seems to be well-established movements.

A. THE RECENT GROWTH OF THE PHENOMENON

In the absence of accurate statistics, it is estimated that there are probably altogether roughly 2 million foreigners in this area of the OECD, an appreciable figure. Italy is the leading host country with about 1 million, ahead of Spain (650 000), nearly 100 000 in Greece and about 100 000 in Portugal; no figures are available for Yugoslavia or Turkey. Only about 655 000 of these are legally present, most of whom are from Northern Europe or North America, some professional or skilled workers (notably with multinational companies), but many economically inactive (retired, students, etc.).

Clandestine or irregular migrants thus form the great majority (between 700 000 and 1 million in Italy, roughly 450 000 in Spain, 50 000 in Portugal and at least 40 000 in Greece). These not altogether new illegal flows have increased strongly since the early 1970s and the start of the economic crisis. In 1974 the ILO's second European Regional Conference on Employment drew attention to the reversal of the migration pattern in the Mediterranean countries with the arrival of clandestine workers -- Tunisians in Italy, Portuguese, Moroccans and Algerians in Spain, Egyptians, Sudanese, Ethiopians in Greece -- employed in mining and in the hotel and catering trades [ILO (1974, p. 93)]. Researchers now estimate that numbers have grown as much as tenfold [Colectivo IOE (1985)].

Great variety of migrant populations

Contrary to popular belief, only about 20 per cent of the foreigners in Southern Europe are from poorer countries on the southern and eastern shores of the Mediterranean (Jordan, Egypt, the Maghreb). Although migration among southern European countries is by no means negligible, migrants from other parts of the Third World clearly predominate in these clandestine flows. Spain and especially Italy seem to have become countries of convergence for the Third World, attracting migrants from many different countries who arrive for political as well as economic reasons. Amongst the diversity three broad categories can be distinguished:

Other Southern European countries

More commonly than is realised in Northern Europe, there are considerable flows between Southern European countries. For example, between 45 000 and 55 000 Portuguese are thought to be working clandestinely in areas beyond the Portuguese frontier, especially Galicia (Vigo, La Guardia, Tuy, Bayona), apparently filling a gap left by migration out of Galicia itself into northern Europe and South America. Some Portuguese have also migrated to the neighbouring province of Léon (in mining and to the regional capital), to the Asturias and to the larger Spanish conurbations of Madrid, Bilbao, Barcelona and Valencia [Colectivo IOE (1985)]. Italy is thought to have between 20 000 and 40 000 clandestine Yugoslav immigrants mainly in the north (Friuli region), plus 35 000 Greek migrants and between 5 000 and 10 000 from Spain and Portugal (see below).

Maghreb, Egypt

Emigration from the Maghreb (where it goes back over many years) and from Egypt (where it dates only from the last ten years or so, following President Sadat's 1974 "infitah" policy of opening Egypt up) is on such a large scale as to suggest that those countries formed potential sources of clandestine migration towards North-western Europe before tight restrictions were imposed, and that since 1973 their migrants have been, as it were, stranded halfway in Southern Europe. This secondary effect has been real enough, but must not obscure the other forms of irregular migration.

The distribution of illegal migrants is fairly clear. Moroccans largely predominate in Spanish territories, in the "présidores" of Morocco (Ceuta and Mélilla, where Muslims account for over half the total population) and also in Spain itself, in Catalonia and Madrid. Tunisians are most numerous in Italy, with which Tunisia has many historical and cultural ties. In addition, Italy and Greece have several thousand workers from other Arab countries round the Mediterranean.

Nationals of former colonies

Regular and, in particular, clandestine migration into southern Europe also reflects the links that Spain, Portugal and Italy have maintained with former colonies all over the world. From all these territories migrants are moving back to the former metropolis, attracted by the possibility of finding work, even clandestinely, pushed out by the severity of the economic situation or by human rights violations in their own countries. In most of these countries it is difficult to say where labour migration ends and the political exodus begins. This type of flow, with its strongly colonial overtones, is reminiscent of earlier flows to France, the United Kingdom, and the Netherlands. Cape Verdeans (30 000 to 40 000) are the immigrant workers of Lisbon; Latin Americans (50 000 to 80 000), Guineans and Filipinos (40 000 to 55 000) are those of the larger Spanish cities; while there are large numbers of Eritreans and Somalis in the urban centres of Italy. These preferences are not exclusive, however, and there is a clear process of mixing among the immigration countries of Southern Europe, bringing Cape Verdeans and Filipinos to Italy, Egyptians and West and East Africans to Greece, largely in response to employment opportunities.

B. THE MAINSPRINGS

The development of clandestine migration into Southern Europe over the last ten years raises several questions. These traditional emigration countries are, like the most industrialised OECD countries, feeling the impact of the economic crisis, their employment situation is even more difficult than in the North, and they have experienced and are still experiencing large-scale return flows, although those are declining rapidly (see Section II). And yet the reality is there: Spain and Italy now have more illicit foreigners than traditional receiving countries such as Switzerland, Germany and France (about 200 000). Without claiming to be able to identify all the mechanisms actuating these migrations (which are complex and poorly understood), it seems possible to draw attention to the role of two factors of unequal importance.

The diversionary effect of measures taken in the North

Spain and Italy have traditionally acted as staging posts for clandestine migration between the south and east of the Mediterranean basin and northern Europe. The suspension and then the clampdown on immigration as of 1973, together with the stiffening of national regulations and close monitoring of the southern frontiers of France and Switzerland, have had the effect of considerably curbing, though not completely halting, clandestine entrance into France and Switzerland and of diverting on to the staging countries the migrant pressure previously exerted further to the north. (Apparently there is a similar effect on Mexico as a result of flows from less-developed and politically violent countries in Central America.) In Southern Europe, this process is reflected in the gathering of Moroccans in the Barcelona region and of Tunisians in the Genoa region, the terminus of a regular link with Tunisia.

The importance of this factor should not be overestimated, however, for two reasons. First, it is confined to migrants from the Maghreb, who make up only a part of these clandestine flows, which come from a wide variety of sources. Second and more important, the thrust of clandestine immigration into Southern Europe stems far more from internal forces within the new immigration countries than from policies or measures elsewhere.

The fundamental role of the "new underground economy"

The presence of an underground, informal or parallel economy in the Mediterranean countries is no new discovery. It is found in different forms and under different names in all Mediterranean and Third World countries where its workings have been the subject of several studies, especially by the ILO, since the early 1970s. What does seem to be new is the share of the underground economy in national productive capacity in three of the countries concerned -- Spain, Greece and Italy-- and especially the addition of an industrial sector to the traditional activities in the urban environment (small shops, restaurants, domestic work). The new industrial sector includes traditional products -- in Catalonia and Valencia, which together produce 80 per cent of Spanish textiles, between 20 and 25 per cent of the production probably takes place in the "hidden economy", 21 to 36 per cent of footwear in the Province of Alicante [*Le Monde*, 22nd October 1985). This special form of production organisation is also reaching new industries such as electronics in the Marche region in Italy. Whether the growth of this new industrial sector is seen as a means of survival at a time of economic crisis, or as a response to increasingly rigid production methods and systems, it is one contributory factor in the growth of the hidden economy in the Mediterranean countries, accounting for over 5 per cent of Spanish GNP in 1985 and between 20 and 30 per cent of Italian GNP.

The increase in clandestine immigration has been very much a part of that trend since the onset of the crisis. In some cases, migrants have taken the undeclared jobs spurned by national manpower, such as Egyptian or Tunisian crews on Greek and Sicilian fishing vessels; Moroccan farm workers in Catalonia and Tunisians in Tuscany; domestic servants from Cape Verde, Somalia, the Seychelles and the Philippines. Side by side with the "structural" jobs in the hidden economy are those appearing when small industries and farms are particularly busy and call in the foreign labour available on the unofficial employment market during peak periods. "A given sector of activity will have all the more manpower trafficking, the greater the number of marginal enterprises, the greater the number of small firms and the more 'peak' periods of activity it has" [Litvine (1985)]. This overall analysis of the economy of clandestine migration in France applies even more to the other European Mediterranean countries, where clandestine immigrants are the least protected and most exposed segment of the labour market.

The resort to clandestine workers explains not only the scale of immigration into the South but also the location of migrant flows within Southern Europe, in terms both of country (Italy is in first place, ahead of Spain and Greece) and region. The distribution of illegal aliens seems quite varied geographically, reflecting the extent of the underground economy within the country's overall economic and social needs. Although the majority live in urban areas focused on capital cities and economic centres (Lisbon, Madrid, Barcelona, Bilbao, Genoa, Rome, Naples and Athens) where they are employed in construction and, especially, trade and domestic service, illegal migrants are also found in the less developed coastal regions (Sicily), in intensive agriculture (Tuscany, Piedmont, Catalonia), in areas of scattered rural industry (Marche, Emilia-Romagna, Friuli), and in ports where they account for an increasing proportion of crews both in Greece and Italy.

It follows, too, that these clandestine migrations are not left to chance or improvisation. In many cases migrants are recruited, and fully fledged networks operate between employment regions and countries of origin, where potential employers have recourse to intermediaries and members of foreign communities already on the spot (see further below). The solidity of the migratory structures thus formed and the quasi institutional position of the underground economy in those countries suggest that immigration there has become almost structural, to the embarrassment of governments.

Uncertain national policies

Their embarrassment is all the more marked in that governments are being caught off-balance in their stance on migration policy. For decades, if not centuries, the governments of Portugal, Spain and Italy (and, more recently, Greece) have had to define themselves, like it or not, as governments of sending countries, establishing ministries and secretariats of state with departments specialising in emigration. In their attitudes to host countries and to the traditional outlets for their nationals they have acted as defenders of the sending countries, as quite naturally and fairly they still are, with so many of their nationals still working in abroad.

The reversal of the migration picture is now forcing them to adopt the position of employment countries confronting clandestine immigration, a difficult role for them to take up without falling into political and moral contradictions. Enactment of the law of 25th August 1985 in Spain on the expulsion of foreigners illicitly present prompted considerable criticism, especially from the Church and from Spanish charity associations. This ambiguity in political position, and the difficulty of choosing explains the delay, the unsuitability of immigration legislation, the shortcomings, and the gaps through which tens and hundreds of thousands of foreign workers have slipped, if not poured in, being much in demand by the underground economy.

The first difficulty for the governments concerned is the control of admissions, since most clandestine immigrants come in on tourist passports and then stay on illicitly. For countries such as Greece, Spain and Italy, which in 1982 together recorded 120 million foreign visitors, frontiers are hard to control strictly without jeopardising their tourist industries. However, recent acts of terrorism will probably impel governments to monitor arrivals into their countries more closely.

The second problem is the absence of any coherent and complete set of regulations on the employment of foreigners. The scattered nature of the regulations, from decrees to circulars, obstructs government departments in their work and leaves them unable to cope with all the complex situations that immigrants may present. Some of these, accordingly, are now being kept de facto in a position of illegality.

The third and most formidable problem is their attitude towards employers and all those offering undeclared jobs. The availability of undeclared employment, the mainstay of illicit immigration, is acknowledged to concern a population much greater than that of the foreign workers (2 to 5 million in Italy). This raises the whole problem of whether or not to recognise the underground economy, and its role in the economic and social functioning of the country against the background of the present economic crisis. Until this problem has been settled at root, and the present author doubts whether it can be, regulatory measures will be able to make only a minor impact on the foreseeable trend of clandestine immigration.

C. OUTLOOK

Failing some improbable reversal on the part of the economic transactors, and regardless of regulatory measures in hand or foreseeable in the countries concerned, clandestine immigration into Southern Europe can be expected to continue and to grow for several reasons:

-- The stronger migratory pressure in Third World countries and especially on the southern shores of the Mediterranean (the Maghreb and Egypt have populations totalling 110 million in 1985, rising to 170 million by the year 2000), together with the probable worsening of economic disparities between receiving countries and Third World sending countries: GNP per head in 1983 stood at $250 for Somalia, $750 for Egypt and Morocco, $3 580 for Greece, $3 800 for Spain and $6 350 for Italy. These disparities are liable to be felt strongly by a young population alerted to them by the media and by education;

-- The demographic ageing in the European countries of the western Mediterranean and the gradual decline in migrant returns. Fertility is declining particularly rapidly in Italy (whose birth rates were 19.5 per thousand in 1964, 12.5 per thousand in 1978 and 10.9 per thousand in 1982) and in Spain (20.2 per thousand in 1966-70, 13.4 per thousand in 1982).

-- The part that the underground economy in these countries will continue to play in attracting and accommodating clandestine migrants, especially in Greece and the Iberian peninsula under the influence of new competition prompted by an extended EEC. In the absence of any genuine policy for this key point in the future of Southern European migration, the main effect of administrative control or even expulsion measures will certainly be to entrench clandestine migrants even more deeply within the national economy, while marginalising them in terms of the social fabric.

V. CONCLUSION

The migratory situation of Southern Europe seems to be at a turning point, with on the one hand the traditional migration of labour being replaced by a true economy of exchange comprising the movement of goods and persons between Northern and Southern Europe, and on the other hand the development of a new multiform immigration from the Third World. The emergence of migration from outside Europe, which affects even Southern Europe, shows that the question of the future of migration cannot be excluded from the global debate on North-South relations. That important issue cannot simply be reduced to the problem of controlling the frontiers on Europe's southern flank. It requires action on the deeper causes of these phenomena and a real development policy based on co-operation between the countries of the Third World and the European Member countries of OECD, including those in Southern Europe.

NOTES

1. Greek definition of emigrant: citizen who stays abroad for more than a year.
2. Source: Spanish official statistics; SOPEMI Annual Reports.
3. Italian official statistics; SOPEMI Annual Reports.
4. Out of 5 million Italians living abroad.
5. The Portuguese accounted for 12.5 per cent of regularisations in 1981-82.
6. 20 per cent of the foreigners who settled in Australia between 1947 and 1980 returned home (OECD Observer, September 1985).
7. Whereas retail trading is becoming a speciality of immigrants from the Maghreb and, increasingly, from China, and refugees from South East Asia.

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THE OIL-PRODUCING COUNTRIES OF THE MIDDLE EAST AND NORTH AFRICA

Maurice Allefresde

The background to the growth in migration to the oil-producing countries has been sketched above, and the ways in which migratory movements to these new destinations differ from the traditional flows have been outlined. The host countries are not members of the OECD and the ways in which workers are recruited, their geographical origins, skills, wages and working and living conditions are different from the earlier pattern when migrants were moving into Europe's industrialised countries. Foreign manpower is recruited on fixed-term contracts in the country of origin, in teams whose numbers and skills are set in advance by the national or international firms requiring labour for their projects in the Arab countries. The actual recruitment is frequently through middlemen or temporary employment agencies, operating in much the same way as they would in regional or national job markets in industrialised countries. Illegal immigration by individuals without proper work permits is virtually impossible.

In many respects we are considering a new type of migration. The experience that has gradually been gained in monitoring the traditional movements into industrial Europe, organising them and settling the related problems through agreements, does not yet seem to have been transposed to the current flows to the Arab countries. These transfers of labour pose the issue of migration in quite new terms, because they are prepared, arranged and carried out in new ways and bring migrant workers into contact with cultural, institutional, social and economic patterns that are quite different from those to be found in Western Europe. The problems raised by these flows have not all been settled in the relatively short time that has elapsed since the start of migration to the Arab oil-producing countries. The new procedures and problems are examined here in the context of the experience of two OECD sending countries, Turkey and Portugal.

This study relates to the situation as in 1983-1984. The statistical series was updated in 1985 on the basis of information supplied by the Turkish and Portuguese authorities. These data show that the trend changed somewhat from that prevailing in the 1982-1983 period, when migration to oil-producing countries was considered by some observers as a partial replacement of migration to Western Europe. The general situation has remained unclear because the stocks were influenced by movement which had taken place in 1983 and previous years, and the flows were affected by different factors according to the receiving countries concerned.

I. TRENDS IN MIGRATORY FLOWS: A QUANTITATIVE ANALYSIS

Estimates of flows

In addition to the usual difficulties in measuring migratory flows, the numbers involved in this case appear to be serious underestimates -- not, as elsewhere, because of unrecorded individual illegal migrants since these are non-existent, but because the recruiting intermediaries fail to declare all the workers hired.

In spite of this reservation, the official estimates supplied by Turkey and Portugal are highly instructive. Arab countries accounted for over 98 per cent and almost 99 per cent in 1985 of departures recorded by the Turkish Labour Office in 1983 and 1984, while emigration to other European countries or overseas has virtually dried up. Libya had been the destination of more than half of the 50 000 Turkish migrant workers at the beginning of the 1980s, but the numbers declined in 1984 (to 35 per cent) and 1985 (to 20 per cent) when Saudi Arabia took the lead with 26 000 (57 per cent) and 35 000 in 1985 (74 per cent); Iraq was in third place, though its quota diminished by 5 000 (1984) and 3 300 (1985) compared with 1983.

Total Portuguese emigration was put at about 10 280 in 1982, and about 6 500 in 1984, the lowest level for ten years, but it grew to 7 200 in 1985. Although they understate the position considerably, these figures show that in Portugal emigration by no means carries the economic and social weight that it does in Turkey. Seasonal movements, however, have increased since 1981, partly because of a large rise in workers employed in Switzerland. The stabilisation or decline of Portuguese migration to the traditional host countries in Europe and overseas has diversified the flows, in particular to new destinations in the Arab countries around the Mediterranean. Portugal has negotiated major technical assistance and civil engineering programmes in recent years with Algeria, Libya, Egypt, Sudan and Saudi Arabia. The migration statistics reflect these new flows which vary considerably from year to year (see Table 1).

Table 1

PORTUGUESE TEMPORARY WORKERS IN VARIOUS ARAB COUNTRIES

	1982	1983	1984	1985
Algeria		96	369	380
Libya	235	175	476	84
Saudi Arabia	354	228	251	128
Iraq	294	213	171	86
Iran		41	60	n/a

Source: SOPEMI National Report.

It is hard to believe that the transfers of Portuguese manpower to the Arab countries are really as low as the official figures indicate; they could be as much as four or five times higher according to unofficial estimates. Underrecording could arise from inaccurate returns by middlemen, and because a significant number of Portuguese citizens working in Germany or France are signed up there by local firms and go directly to their new place of work, so that they are not included in Portugal's records.

Turkish and Portuguese populations living in the Arab countries

The steady arrival of annual contingents of Turkish and Portuguese immigrants over the last decade appear to have produced a substantial Turkish population in some Arab countries, especially Saudi Arabia (Table 2), though the Portuguese population in Saudi Arabia is apparently only about 1 500. The ranking of host countries by Portuguese population does not appear to have been altered so far, but the ranking by Turkish population has changed a great deal since the Arab countries came into the picture. The numbers of Turkish workers living in Libya and Saudi Arabia in 1982 were considerably higher than the figures for Turkish workers in France, the Netherlands, Belgium and Switzerland, traditional host regions for earlier Turkish emigration. In Europe, only Germany had more Turkish workers in the country (650 000); within a few years Saudi Arabia has moved up to second place.

Whereas Turkish emigration in Europe has led little by little to family-type settlements and to some extent to the establishment of Turkish "colonies" abroad, nothing of the kind has occurred in the Arab countries, as Table 2 shows. The almost entirely male make-up of Turkish and Portuguese migration to these Arab destinations is due less to socio-cultural or religious considerations (the status of women there) than to two features of this new migration -- its short duration, and the fact that demand in the host countries has been strictly confined to skilled labour in specific traditionally male jobs (see section II below). The Turkish or Portuguese population of bachelors or married workers separated from their families "living" in these countries is not a "settled" population, as is the case with the earlier destinations.

Returning home

Like the numbers of departures to Arab countries, and for the same reasons, the volume of Turkish and Portuguese migrants returning home can only be approximately evaluated. Official statistics simply show the figures for declared returns (generally recorded by the country of immigration rather than the migrants' country of origin). In all, 15 000 Turks are reported to have returned home in 1983, 250 000 in 1984 and 100 000 in 1985, of which about a third would be "actives"; until 1984, the majority came back from Germany, and substantial numbers from Libya.

Returns from Arab countries differ from the usual pattern found in European migration in that they occur sooner. Workers stay for shorter periods in Libya, Saudi Arabia and Iraq, and usually come back in groups, like their departures, with a team of migrant workers returning to their country of

Table 2

ESTIMATED STOCK OF TURKISH POPULATION IN OIL-PRODUCING AND OTHER ARAB COUNTRIES

	1982	1983	1984	1985
Saudi Arabia	85 500	126 000	152 000	160 000
of which "active"	80 000	120 000	140 000	150 000
Libya	83 900	80 000	40 000	28 000
of which "active"	80 000	75 500	38 000	27 000
Iraq	18 300	9 284	6 012	5 311
of which "active"	18 000	9 144	5 892	5 150
Kuwait	n/a	3 000	4 000	4 200
of which "active"		n/a	n/a	4 000
Jordan	n/a	8 000	8 000	8 400
of which "active"		n/a	n/a	8 000
Other Arab countries	8 500	7 000	1 697	1 785
of which "active"	n/a	n/a	1 467	1 697

Source: SOPEMI Reports.

origin at the end of their contract or project. Returns are not put off in the hope of settlement, or family reunion. These features make the new migration to Arab countries much more akin to seasonal movements of labour than to major international or intercontinental migration. The similarity is enhanced by the occasional practice among Turkish and Portuguese workers of contracting for successive periods of work in Saudi Arabia with relatively long intervals in their home country; this clearly happens when a single stay does not allow migrants to achieve the aims for which they go abroad.

A closer look at these aims, at the motives for migration to the Arab countries, will help to show who the new migrants are, and why they differ in geographical origins from the earlier Turkish and Portuguese migrants in Europe.

II. GEOGRAPHICAL ASPECTS OF THE NEW MIGRATORY FLOWS TO THE ARAB COUNTRIES OF THE EASTERN MEDITERRANEAN

Motives for emigration and categories of migrants

Turkish and Portuguese workers do not as a rule go to the Arab countries for the same reasons that earlier migrants left for industrialised Europe prior to 1975. Only a minority of the new migrants going to Libya, Saudi Arabia and Iraq are compelled to emigrate because they cannot find jobs in their region or country of origin, despite the relatively high rate of unemployment in both Turkey and in Portugal. Particularly in Portugal, unemployment is a factor in the new emigration only among the youngest migrants who may be seeking a first job or who are dissatisfied with their early experience of working life. More important is the attitude of governments of the sending countries.

The recruitment of foreign labour for the Arab countries is determined, in both quantity and quality, by the programmed projects that the local labour force are incapable of carrying out. Furthermore, the projects are subject to strict schedules and specifications. Both the Turkish and Portuguese governments have been actively involved in negotiating contracts. 90 to 95 per cent of the workers to be supplied are required for the building and civil engineering industry, for road and port infrastructures, new towns and major engineering works let by tender to specialised national or multinational contractors. As a result, the labour recruited for these projects is different from the earlier migrants to Europe, consisting of skilled workers in building and civil engineering trades.

Migration to the Arab countries thus originates in new types of motives. Would-be migrants are attracted by a range of expected advantages and benefits that they could not hope for at home:

-- High wages, for a short spell abroad (1, 2 or 3 years) during which there is a real opportunity to save, in view of the low level of consumer spending on site;

-- The security of planned and organised migration. The new pattern (apart from illicit movements) is supposed to mark an end to the traditional difficulties of travel, lodging and food, and the problematic search for employment at the journey's end. The "guarantees" which recruiting agents offer on this score are a substantial factor in persuading and encouraging workers to emigrate;

-- The "modern" image originally attached to "Oil El Dorados" which enhances these new migrants' hopes of improving their social and occupational positions, rapidly raising the status of their families and villages and becoming part of the consumer society.

The hopes that migrants foster before their departure are not all realised. The benefits held out by recruiting agents and prospective employers do not all materialise. Promises are not all kept, especially oral ones. Rightly or wrongly, however, the new migration to the Arab countries is well regarded by Turkish and Portuguese workers, particularly by young bachelors with a pressing need for funds in order to marry, build a house, repay a loan or demonstrate their independence and their ability.

Geographical origin of new migrants

In Turkey -- more markedly than in Portugal -- the new migration has altered the pattern of migrants' geographical origins. Traditional European migration came largely from the more advanced, predominantly urban areas, with a high level of declared unemployment and unskilled labour, along the western and north-western coast (Aegean Sea and particularly Sea of Marmara). At present the bulk of Turkish workers leaving for Libya and the Gulf countries come from inland, from more rural and less developed areas (Anatolia, Eastern Turkey, and rural sectors on the Black Sea and Mediterranean coasts) where -- as is true in rural districts and small towns throughout the Mediterranean basin -- there are numerous skilled and active small builders and construction tradesmen. Hence there is no inconsistency or paradox in the fact that the new migrants, from whom higher skills are required, are drawn largely from the least advantaged areas of Turkey.

Portugal shows no marked change in migrants' geographical origin since movements to the Arab countries came to the fore. The poor regions of the country, whose labour was heavily tapped for European migration, still provide part of the contingents for North Africa and the Middle East, but the bulk of the new migrants come from the urban areas (Lisbon and nearby towns), no doubt because large numbers of would-be emigrants are available there, and are more easily reached by the recruiting agents or employers.

Destinations of migrant workers

The choice of geographical destination is governed by the location of the major construction and civil engineering projects; the areas where foreign labour is employed accordingly vary considerably within the space of a few years. One consistent feature is the marked preference of the Saudi authorities for Muslims to work in the Hedjaz, which accounts for the predominance of Turkish workers, either employed by Turkish firms or recruited for French, German and Italian contractors who take on Turkish labour to comply with the regulations governing the employment of foreigners in the region.

III. TRANSFERS OF TURKISH AND PORTUGUESE LABOUR TO THE ARAB COUNTRIES: ORGANISATION AND PRACTICE

Difficulties in the new pattern

As traditional emigration countries, Turkey and Portugal have had in recent decades to improve the handling with their European partners of the problems generated by the recruitment, travel, residence and employment abroad of their migrant workers. This phase has been superseded: within the last few years Portugal and more particularly Turkey have partially switched partners for their labour migration, and the way in which it is organised has changed radically as a result. Therefore the rules, regulations, procedures and practices that grew up little by little to cope with earlier European migration have not been fully transposed and applied to the new migration to the Arab countries.

At least three factors have disrupted the formal and practical arrangements for these new transfers of migrants:

-- The Arab countries receiving the immigrants are newcomers to contemporary international migration, and lack experience of the numerous complex problems raised by the presence of large concentrations of foreign workers;

- Between the two ends of the migration chain (sending and receiving country) the new pattern of migration has brought in intermediate actors -- recruiting agents, major national or multinational recruiting agents, major national or multinational firms -- whose role and actual power are far greater than in the context of earlier European migration;

- The material and psycho-cultural circumstances in which new immigrants live and work abroad have not entirely changed the nature of the problems to be tackled (housing, wages, transfers of funds, isolation, etc.), but they have certainly changed their ranking and importance.

Efforts to organise and control the new migration, taking the new factors into account, seem to be essential in the interests of all concerned -- migrant workers, recruiting agents, employers and governments. The latter have already planned or finalised theoretical and practical procedures for observation and intervention. They are designed to cover the whole range of issues raised by movements of this kind: recruitment, working and living conditions, social insurance coverage, transfers of funds, return. It will be useful to examine how far they are in fact applied, and what real impact they have on the management and monitoring of new flows.

Recruitment of new migrants: the problems

One of the most striking elements in the organisation of the new migratory flows to the Arab countries is the fundamental role intermediaries now play at the the recruitment stage. Would-be emigrants among the unemployed in Turkey and Portugal must, officially, register with the government emigration or labour departments and their names are then supplied to the contractors and recruiting firms which put proposals for foreign employment to the government emigration department. At present would-be emigrants far exceed foreign demand. However, this procedure is not always followed punctiliously by either side: many Turkish and Portuguese migrants were not unemployed, or registered as would-be emigrants, when they were offered jobs abroad, and many recruiting agents -- lawfully or not -- make up their teams of workers without informing the government departments concerned.

The situation which has until now prevailed in Portugal is a very good illustration of the difficulties and uncertainties involved in any proper policy of monitoring departures. In practice, the only migrants to Arab countries who are officially known and recorded are Portuguese workers hired by foreign -- e.g. French or Italian -- contractors and recruiting firms via the official procedure, although in fact recruitment happens in numerous other ways as well. Non-Portuguese firms may engage recruiting agents or temporary employment bureaux, which is a much more rapid method of hiring the labour required (foreign, Portuguese or part-Portuguese) to hire the numbers of Portuguese migrants they need for projects in, say, Libya, Algeria, Saudi Arabia or Egypt. Recruitment by this means takes considerably less time, the teams are established more quickly than via the government services, and employment contracts are between the migrants and the recruiting firm acting on behalf of the foreign employer, who is not directly involved at this stage. This form of recruiting is becoming widespread. One of the drawbacks is that it falls completely outside the statistical net and, by omission, distorts all the official evaluations, since workers recruited in this way are not recorded by the Portuguese emigration department.

Portuguese workers recruited by Portuguese firms for projects in Arab countries similarly go unrecorded; it has been argued that such workers should not be classed as emigrants since their employer is a Portuguese firm with its head office in Portugal, using Portuguese labour outside the country.

Turkish labour is recruited in similar ways. Unlike Portugal, Turkey can now send its migrants to only a few nearby Arab countries, and is keen to grasp the opportunity to manage the potentially very large new flows properly via intergovernmental agreements.

After gaining some initial experience, the Turkish government introduced an official procedure for hiring migrants. Turkish or foreign firms wishing to recruit Turkish workers for projects in the Arab countries notify the Ministry of Labour of the number of workers required, the type and level of skills, the destination, and wage rates. The Ministry then negotiates the hiring arrangements with a representative of the employer firm -- agreeing on the actual period of recruitment, drawing up a list of the workers selected (firms must take on at least one in ten of the applicants proposed), and preparing contracts in Turkish and Arabic for signature. In theory, this provides an excellent means of controlling and organising departures to the Arab countries, and of avoiding unfair and fraudulent practices, though the Turkish authorities acknowledge that parallel, illicit recruiting channels exist, and some have already been identified and sanctions imposed. These involve Turkish and foreign intermediaries, who prospect for the geographical areas, groups of workers, families and individuals likely to respond most favourably and quickly to offers of work abroad. In such cases, the migrants enter the country of destination on a tourist visa, and cases have been recorded of migrants hired through these channels having to pay the recruiting agents a fee in order to be hired, without even being given a contract in return. It is with the intention of meeting these irregularities that the Turkish Authorities have allowed direct recruitment, on condition that the names of the workers should be communicated to the competent authorities and work-contract standards be respected.

The ways in which migrants are recruited to work in Arab countries have done more than just hamper accurate evaluation of the volume of labour involved. The working and living conditions of the migrant, and his family back home, may be greatly affected by the method of recruitment, whether or not a contract is signed, its legal force and possible legal remedies.

The surest and most extensive safeguards are secured when the contract between the migrant worker and his employer is concluded via the government emigration department in the country of origin. Even in this case, however, some matters are still unsettled and as yet no solution has been found to a number of problems or disputes arising from the new pattern of migration.

First of all, there is the problem that occurs when official contracts, properly concluded, are not respected. This has been reported in Portugal, with contracts for employment in Iran, for instance: the outcome is that the workers are repatriated. The Turkish authorities have taken steps to check that contracts are not only properly drawn up, but are duly complied with by employers. At home, radio and television provide information about the regulations governing the migration of labour to the Arab countries and warn workers of the risks presented by illicit recruiting, without a contract or with one that is worthless. Turkey also sends attachés and counsellors, with diplomatic status, to its embassies and consulates in the Arab countries. While they cannot require the local government to take action, or even inspect firms using Turkish labour, they monitor the observance of contracts and track down abuses.

Turkey and Libya signed a bilateral agreement on the transfer of migrant workers in 1975. No similar agreements have yet been reached between Turkey and its other partners (Saudi Arabia, Iraq) or between Portugal and any of the Arab countries where its citizens are employed. The agreement between Turkey and Libya was later supplemented by other provisions for social security safeguards (sickness and accident benefit) for Turkish workers in Libya, although in practice numerous difficulties remain. Migration, even when officially organised and even to Libya, still involves a period when the Turkish migrant and his family may be placed at risk as the result of illness, pregnancy, accident or death. The risk is still higher, of course, when a migrant leaves Turkey, and hence ceases contributions to his national social security scheme, to work in a country which has no intergovernmental agreement on the provision of coverage.

Similar difficulties are reported in Portugal, although under the social insurance scheme there migrant workers who cease contributions when they go to Arab countries can join a voluntary scheme while they are away, continuing contributions based on the statutory minimum wage, though this possibility is not widely used. As a rule, Portuguese migrants cease to qualify for family allowances after six months' absence, but in principle, family members remaining in Portugal continue to have sickness, maternity and accident cover. The Portuguese authorities are seriously considering making it compulsory for firms employing Portuguese labour abroad to take out insurance for their employees with a Portuguese insurance company, at least to cover the most serious eventualities (accident or illness requiring repatriation, accidental death). This is because, as matters stand, it is hard to pinpoint liability for loss or damage sustained by expatriate workers.

The defects that have been mentioned occur even when contracts have been duly agreed to by workers, employers and/or the governments concerned, but they are more serious with illicit transfers, or when an intermediary is involved at the recruiting stage between would-be migrants and employers. Even when some form of contract is signed by a worker and the recruiting agent or service company acting for the firm hiring the worker, the firm may not consider itself bound by the terms of an agreement that it did not directly negotiate. Both Portugal and Turkey report many instances of firms which have recruited labour through middlemen and later arbitrarily impose other rates of pay or living conditions once migrants reach the project site and cannot contact the recruiting agents. Government labour and emigration departments in Turkey and Portugal admit that at present there is little they can do when migrants complain to them about such practices, and such action as they can take usually has no effect.

Under current norms of internal or international law as it relates to firms engaged in recruiting for temporary employment, or to itinerant recruiting agents, there is no means of completely putting a stop to the illegal or dubious practices that give rise to complaints. Firms tendering successfully for major projects abroad are likely to continue to use recruiting agencies as long as the latter respond more quickly and effectively to demand than the government departments.

Transport and living conditions for migrants

Working and living conditions on project sites in the Arab countries are uniformly described as "hard", sometimes "very hard", by migrants and by those who visit them. Living conditions in Saudi Arabia are said to be "a bit better than elsewhere", without further clarification, and references are made to the impact, in Iraq, that the ongoing war is having on the pace of work and living conditions at major projects. Apart from development schemes for existing port infrastructure or urban extensions, the main projects are sited on the pioneering fringes of the economy and of the populated areas, and sometimes are out in the desert. These transient colonies of workers are isolated, and something of labour ghettos. The migrants' whole life revolves around the needs of the project and the pace of work at the site: there is an eight-hour working day, with a one-hour break. Social life consists solely of relations at work, and cultural or leisure activity is entirely lacking or very poor, in particular through lack of means -- or permission -- to leave the site. Isolation and confinement sometimes produce harmful psychological effects after a year or two, the average length of a project.

In Libya, the food and housing of foreign workers are met through site installations, generally moveable ones, supplied by their employers. In Saudi Arabia, especially when the projects are close to towns, firms provide their foreign workers with shared rented accommodation, and in some cases pooled means of transport at weekends. Difficulties in ensuring regular food supplies to projects are frequently mentioned, which may arise because of the fluctuations in imports of staples.

The wages paid to migrant workers bear little relation to what they would receive in their country of origin, or to the wages earned during the European migrations. Portuguese workers in the Arab countries are paid in dollars, moreover, and Portugal does not report any particular difficulty in the repatriation of their earnings or their substantial savings, either during their contract or on their return. Guarantees here are provided by the employer firm and the public authorities, in spite of the absence of any formal agreement.

Many Turkish workers, on the other hand, appear to encounter difficulties, largely because most employers do not pay regularly and workers accordingly have to hold money in reserve instead of making regular transfers,which creates problems in dealing with banks. Formalities for transferring money to Turkey are complicated and not usually handled by the employers; operations are made individually, one by one instead of in batches, and can take between three and five months. In Libya only 70 per cent of migrants' earnings may be transferred back to Turkey.

Although the material difficulties of working and living conditions, pay, leisure activity, etc., vary considerably from one host country, project site, employer or year to another and the sharing of responsibility among employers, public services and governments also varies, it would appear that the various parties involved in the new migration can and should report, evaluate and settle more fully the material and routine problems arising from the activity of migrant workers on major projects. The scale of the difficulties is normally not discussed, or is minimised, when migrants are actually being recruited.

IV. EVALUATION OF THE INITIAL EFFECTS IN TURKEY AND PORTUGAL OF THE NEW MIGRATION TO THE ARAB COUNTRIES

The migration of labour has never been neutral and always has consequences for the country of origin. In the period prior to 1973, the movements of Turkish and Portuguese workers to the industrial and urban centres of Europe had both positive and negative repercussions on the national and regional economies of the countries of origin, which have been quite accurately assessed.

The new migration to the Arab countries is occurring in a different context, however. For the last ten years the economies of Turkey and Portugal have been feeling the effects of the economic crisis in Europe and worldwide, partly reflected in their high rates of unemployment. In addition, Turkish and Portuguese workers in the Middle East are not employed by host-country firms, as used to be the case in Europe -- their employers are foreign, too, and the profits from their combined activity are shared out in still undefined proportions, not regulated by the host country. The actual economic spin-off from this new migratory pattern for the countries of origin, for the migrant workers and for their employers, is in theory likely to be different from the effects that the traditional patterns of migration used to produce.

Impact on the countries concerned

Host countries

At present, foreign labour is essential to the host countries, as the instrument of economic take-off and the means of creating or modernising their public and private infrastructure: hospitals, roads, universities, ports, water supplies, new towns, etc. Turkish and Portuguese workers represent only a very limited component of the whole; Yemeni and Pakistani labour has flowed in in large numbers and, being largely unskilled, it is quite often supervised by more skilled Portuguese or Turkish migrants. In the medium term the demand for foreign labour is liable to become saturated since the succession of projects to establish facilities and infrastructure cannot go on indefinitely. In addition, the day will come when the Arab labour market is more fully served by local firms and local workers trained for the work at present carried out by foreigners. Besides, the current major works programmes represent the policy of the moment, which may be altered at short notice by other policy decisions (higher military spending, for instance), changes in the countries' leaders, or a fall in oil income.

Although the flow of labour to the Arab countries is at present a response to structural requirements, the cyclical or temporary factors are also significant. In recent SOPEMI reports, the Turkish correspondent draws attention to changes which are likely to affect future migratory flows to the Arab countries. In Iraq, oil-generated income has fallen substantially on account of the war and capital expenditure on major construction projects was naturally among the foremost areas to be affected. Measures have also been introduced to restrict outflows of foreign exchange so that the transfers of Turkish migrants' earnings and savings have been affected. Libya has been facing payments difficulties since 1982, and has been unable to honour its financial commitments to foreign firms operating there within the set time limits. The wages of workers employed by these firms have been seriously affected.

The third Saudi five-year plan (1980-85) radically altered the country's economic objectives; it reduced the share of capital appropriations for construction and civil engineering works in favour of the manufacturing sectors, and at the same time proposed restrictions on the inflow of foreign labour. Infrastructure spending fell by 17 per cent between budget years 1981-82 and 1982-83. Local firms are increasingly involved in major national projects: as a result of changes in public contract regulations, Saudi firms took 19 per cent of the construction market in 1981, and in 1982 won 40 per cent of all contracts let in this sector. Lastly, as an indirect aid to Saudi firms, the government has reduced the level of advance payments to foreign contractors (10 per cent of the contract value in 1982, as against 20 per cent in the previous year).

Countries of origin

The movements to the Arab countries have had no appreciable direct effect on the level of unemployment in Turkey and Portugal, because they involve previously self-employed people or workers whose skills would ensure them employment at home and who are not compelled to leave for economic reasons, in the great majority of cases at least. At the same time, this migration cannot be termed a brain drain in view of the established work-site hierarchy which places almost all the migrants in a subordinate category. Nevertheless there are potentially adverse effects for the domestic economy in the loss of workers who have been educated and trained at public expense.

Enhancement of skills is minimal, since even when the work involves new processes, new technologies, or high-productivity forms of organisation, migrants are unlikely to come across them, or be able to introduce them when they return home. Occupational betterment through emigration is far slighter than the social betterment that workers in some cases achieve through their substantial earnings from work abroad (see below).

The particular impact of the new destinations on remittances cannot be separated from the totals, and the statistics are in any case subject to problems of definition and coverage arising from the organisation of migration to the Middle East. One aspect, however, is reasonably certain: there is virtually no long-term investment of migrants' savings in receiving-country banks so that all savings ultimately return to the countries of origin. Remittances obviously vary in line with the fluctuating, short-term nature of the migration to Arab countries. Turkish workers in the Middle East have helped to maintain average transfers above the level of per capita GNP in spite of falling remittances from Western Europe. For Portugal, the numbers of workers involved are too small to contribute more than a tiny fraction of total remittances.

Impact on Portuguese and Turkish firms operating in the Arab countries

The numbers of foreign firms involved, including Turkish and Portuguese, are not known exacly. In her 1983 SOPEMI report, the Turkish correspondent noted that the number of Turkish firms working in the Arab countries stood at 191 in December 1982, including 99 in Libya, 63 in Saudi Arabia and 28 in Iraq. The war in Iraq and financial difficulties in Libya have probably since reduced these figures, but there were more than 100 firms operating in Saudi Arabia in 1984. No comparable statistics appear to be available for Portuguese firms.

When the large construction firms from Turkey and Portugal entered the new Arab market they were not all well versed in foreign ventures of this type, often lacking the material and human resources essential for such operations. As a result, the impact of major foreign contracts involving labour movements cannot simply be classed as positive or negative for these firms taken as a whole: careful and detailed research is still needed in this area. Only a few pointers can be given on this score:

-- Cases of Turkish and Portuguese companies failing are reported, and are attributed to the financial management difficulties arising in the course of a project in an Arab country (Libya). Does responsibility for the failure lie with the firm, or the authorities in the host country?

-- Some successful projects seem to have brought Turkish and Portuguese contractors sound experience in operations of this kind, helping them to enhance their capacity and their image, to flesh out the internal services they previously lacked (legal and tax units, handling of disputes, monitoring international market trends, etc.), and to move up noticeably in the local hierarchy of contractors.

-- Advanced techniques and technology, the rapid turnover of equipment and swift modernisation of tooling and plant in a context of keen competition have all enhanced major civil engineering capacity (to a degree still undefined, and in only a few firms), as is reflected, for instance, in the companies' advertising in Portugal and Turkey.

-- Finally, the new migration has affected the systems for recruiting workers, and the development of the middleman functions performed by numerous temporary employment agencies. Some of these agencies, above all apparently in Portugal, have taken the opportunity of the continuing demand from national and international firms to alter their organisation, their method of operation and possibly their status (from national to international companies).

The disposition of new migrants' earnings and savings

The repatriation of funds earned in the new migration to the Arab countries does not seem to have led to any appreciable changes in the schemes that were used to tap the savings from European migration for productive investment, development and job creation. These inflows have not been such, either in volume or in nature, as to require a new approach to their possible disposition.

The movements of Turkish and Portuguese workers to the new destinations, however, provide a more effective and swifter response to what remains a prime concern of the migrants: to earn and save as much as possible in order to meet their personal and family needs more fully. The well-known propensity of earlier Portuguese and Turkish migrants to use their savings for non-productive personal investment, patterned on the norms of the consumer society and social betterment, is again displayed by the new migrants returning from the Arab countries. In their case, consumerist behaviour seems to be exacerbated by the economic crisis, which moreover appears to be discouraging productive investment, and deterring some new migrants from setting up with their own savings when they return. This is reflected in an observation from Portugal, that "the new migrants have a risk-taking attitude before and during migration, but not afterwards". High rates of return on savings deposits, too, provide attractive alternatives to productive investment.

We see here the persistence, and often heightening, of the obstacles noted in the case of the earlier European migration which prevented or hampered the utilisation of savings for business or job creation, or for collective projects by migrants acting as the motive force for development in their particular sector or region. In Turkey, the migrant workers' companies are continuing to develop and refine their forms of organisation and operation. But this form of productive investment of migrants' savings, set up by Turkish workers returning from industrial Europe, may or may not owe its continuing vitality to active assistance from migrants coming back from Libya, Saudi Arabia or Iraq. This remains to be clearly demonstrated. The more obvious reasons why the Turkish migrant workers' companies are largely surviving, and some in cases becoming more effective, lie in more rigorous management, a clearer definition of the respective roles and skills required of management and work force, and a reformulation of the functions that ex-migrants and non-migrants have to play in running them.

The channelling of new migrants' savings to productive investment still suffers from the lack of any specific official policy on the subject, either in Turkey or in Portugal, designating the economic sectors or regions which provide the foremost investment opportunities for new migrants' savings, or setting up official aid or incentive schemes to direct such investment.

It would seem that the new migration to the Arab countries caught Portugal and Turkey partly unprepared when they were required simultaneously to monitor and evaluate the numbers of their citizens involved, to place recruiting procedures on a fair and honest basis, to find effective solutions to the problems arising in the new host countries, and to find ways in which the new migrants' savings could be used more fully than in the past for the development of the national, regional and local economies.

ILLEGAL IMMIGRATION TO ITALY

Claudio Calvaruso

I. THE CHANGING PATTERN OF MIGRATION

Since the early 1970s Italy has switched from its traditional role as a migrant-sending country to being a net importer of population. As we have seen above (Simon), this arises in large part from the considerable reduction in outflows (150 or 200 000 in 1970 to around 80 000 p.a. in the early 1980s). In addition, annual returns over the same period, although also diminishing, have outnumbered departures except for 1982, the only year that the downward trend in emigration was substantially reversed. In terms of its own nationals, Italy is no longer a country of net emigration. At the same time, the pattern of immigration has changed radically: instead of being limited to modest flows of foreigners mainly from developed countries, attracted by the cultural and professional opportunities of Italy to take up legal residence there, it is now recognised that there are significant inflows of illegal migrants from less developed countries who occupy a completely different position in the economy and society, and pose problems that Italy has not previously had to face.

As might be expected, these two flows -- the emigrants and the immigrants -- have little in common. The great majority of the emigrants are skilled or semi-skilled manual workers (approximately 85 per cent of those emigrating to European countries; 70 per cent of those going elsewhere) who tend to take up jobs in manufacturing (between 60 and 70 per cent). Non-European destinations attract a higher proportion of professional (3-4 per cent) and executive or clerical workers (approximately 20 per cent) than do European countries (1 and 4 per cent respectively). To some extent, these movements reflect the continuing existence of migratory chains from poor areas of the South and the Islands that have a long tradition of emigration and many established contracts abroad, but for the most part, Italian emigrants are attracted by more tempting opportunities elsewhere rather than forced to leave by the impossibility of finding employment in the domestic labour market. It is noticeable that the sudden upswing in the numbers of migrants from Italy in 1982 coincided with the upturn in the economies of the major receiving countries (Germany, Switzerland, Australia, North America), as if these external pull factors were more significant than conditions in the Italian economy. Membership of the EEC means that Italian workers have considerable freedom of movement within the Community (more than half the migrants now move to other EEC countries); furthermore, most emigrants are entitled to social security and other benefits either under EEC agreements or through other arrangements for legally admitted immigrants in other receiving countries. They usually enjoy a fairly high degree of social integration through established Italian communities abroad. This picture is in marked contrast to the situation of the new wave of immigrants into Italy.

II. IMMIGRATION INTO ITALY

Legal migrants

Although new legislation is currently being finalised, the administrative procedure for the recruitment of workers (other than EEC nationals and skilled workers from OECD countries), is still very cumbersome, involving various levels and branches of the administration and including complex checks to ensure that no Italian worker is suitable and available for vacancies. In theory, an application must be made before the recruit leaves his own country and it takes a minimum of 6 or 7 months to be processed. Any change of employment or occupation requires the checks to be repeated all over again. The difficulties and delays involved mean that employers often circumvent legal recruitment, and hence the statistics on legal residence and work permits do not reveal the true position (e.g. official statistics for 1980 recorded only two permits for the fishing industry although many foreigners are employed in that sector).

According to Ministry of Labour figures, in 1980 the main concentration of the 20 000 newly arrived foreign workers appeared to be in the North and Centre, largely Yugoslavs (2 000), followed by Portuguese and Spanish (930), and North Africans (570). Half were employed in domestic service (mainly women), just over 10 per cent in hotels and catering, and just under 10 per cent in metals and precision engineering.

Even data on the total legally resident population are inadequate because until the 1970s these people tended to be highly qualified and there was a reluctance to impose bureaucratic controls on such "distinguished" persons, who helped to improve Italy's image abroad. As a result, there are considerable discrepancies between statistics compiled by different official sources.

In spite of the deficiencies of the figures, it is clear that the legally resident foreign population has increased rapidly in recent years, and almost doubled between 1976 (186 400) and 1982 (350 600). A large part of this increase can be explained by the gradual process of legalisation of unskilled wage-earners as institutions, employers and workers have become more aware of the problems of illegal foreign labour. However, this encouraging trend apparently affects those neighbouring countries (Yugoslavia, Greece, Spain) that already have good relations with Italy, rather than the main sources of illegal immigrants in Third World countries. The main occupations affected are those that are stable or where trade unions are more militant: clerical jobs, metals, domestic service and catering. There is little rivalry between foreigners and Italians in those sectors, since locals tend to reject such jobs as downgrading their skills or as too physically demanding.

Illegal migrants

Accurate information on illegal immigrants is inevitably difficult to obtain, and estimates of the numbers involved differ widely: when the phenomenon first came to public notice estimates ranged from 150 000 to 1 million. In 1977, the Interministerial Committee on Emigration instructed the CENSIS Foundation to carry out a field survey which remains the most reliable point of reference. An exhaustive analysis of the labour market was undertaken in four geographical areas (Milan, Emilia-Romagna, Sicily and Triveneto) and the figures obtained were extrapolated to the whole country on the basis of information from employers, trade unions, foreign workers themselves, the church and welfare bodies. The final CENSIS estimate of illegal foreign workers was between 280 000 and 400 000 (Table 1); the rough breakdown according to geographical origin is given in Table 2. The numbers of illegal immigrants appear to have grown constantly since the CENSIS survey: the Foundation estimated a figure in the region of 700 000 in the early 1980s, and the total may now have reached 1 million.

Table 1

FOREIGNERS WORKING ILLEGALLY IN ITALY ACCORDING TO
ESTIMATES FROM 1977 CENSIS SURVEY

Observed areas	Estimates for comparable areas	
Major cities		
Milan 50 000 -- 60 000	Rome	80 000 -- 100 000
	Turin	10 000 -- 20 000
Other large urban areas		
Triveneto 30 000 -- 40 000	Naples Bari Taranto Other cities	20 000 -- 30 000
North		
Emilia-Romagna 5 000 -- 10 000	Liguria Piedmont	20 000 -- 30 000
South		
Sicily 25 000 -- 35 000	Tyrrhenian and Adriatic coasts	20 000 -- 30 000
	Other	10 000 -- 20 000
ESTIMATED TOTAL NUMBER OF ILLEGAL WORKERS	280 000 -- 400 000	

Source: CENSIS.

Table 2

ESTIMATES OF TOTAL NUMBER OF ALIENS RESIDENT IN ITALY, 1977

Origin	Estimate
EEC	20 000 -- 40 000
Spain and Portugal	5 000 -- 10 000
Greece	35 000 -- 45 000
Yugoslavia	20 000 -- 40 000
Maghreb	40 000 -- 60 000
Egypt	30 000 -- 40 000
Cape Verde Islands, Seychelles, Mauritania, Eritrea, Somalia, Philippines	70 000 -- 100 000
Other	15 000 -- 40 000
Political refugees (all nationalities)	20 000

Source: CENSIS Survey, 1977.

From the CENSIS survey and other more recent ad hoc studies, it is possible to build a picture of the main characteristics of these illegal immigrants. They are found all over the country, in the North as well as the South, in large cities and small towns, in industrialised areas and in the countryside. They tend to be employed in the least skilled and most unpleasant jobs. They comprise a very wide range of nationalities, from Tunisians, Egyptians, Moroccans, Greeks and Yugoslavs to girls from the Cape Verde islands or the Philippines employed as domestic servants.

The main points of entry are through Sicily for North Africans arriving by ship, through Trieste for Yugoslavs, and via Apulia for Greeks who have long-established links with the area. Domestic servants from more distant places are recruited through agencies and are brought in by air. Reluctance to deter bona fide tourism means that many illegal immigrants are able to enter initially on tourist visas. Others join the labour market via the shipping industry, which provides work for large numbers of illegal migrants -- the Association of Merchant Navy Captains has estimated that 40 per cent of all Italian merchant navy crews consist of Africans and Asians recruited merely on presentation of a passport.

The illegal immigrants tend to take jobs spurned by Italians -- jobs that are unpleasant, physically hard and poorly paid. At first sight, this appears to be much the same pattern as the migratory movements into Western Europe in the 1950s and 1960s. The situation is not comparable, however, since the Italian labour market is different from those of the other European industrialised countries, in particular because of the large "underground" economy (estimated at about 5 million jobs). In practice, most of the illegal migrants have gone straight into this underground labour market -- where they form a relatively insignificant element in the total -- and have stayed there. Furthermore, Italy has suffered since the end of World War II, and still suffers, from serious unemployment, especially among young people (in 1983 roughly 10 per cent of the labour force was unemployed, 62 per cent of whom were aged 14-25). The illegal migrants have taken jobs rejected by young Italians as too insecure and beneath their levels of skill and ambition. It is significant that the first flows of illegal migrants to be recognised in the late 1960s were of Tunisians into Sicily -- an area which itself has a long and often tragic history of emigration. It is not a case of an economically developed region resorting to foreign manpower to further its growth; rather, illegal immigration is a response to the profound malaise of the Italian labour market, which is no longer able to match demand and supply smoothly in certain sectors, even though a serious problem of native unemployment persists. The existence of this pool of foreign labour willing to work for low wages with insecure tenure and in unpleasant conditions helps to perpetuate the situation, and has delayed the very necessary modernisation of certain sectors.

The distribution of foreign workers, especially illegal immigrants, is fairly evenly spread across the country, suggesting that demand is related to particular industries and sectors that hire migrants rather than to regional differences. Immigrants come in through areas both of high unemployment (Sicily) and of virtual full employment (Friuli-Venezia Giulia), and then find their way to other areas according to their skills and aptitudes. In general, the jobs concerned are low technology, unskilled, rarely unionised, and offer insecure working conditions and low wages. It is noticeable that in regions with a modern economic structure illegal immigrants play only a marginal role: in the Milan area, for instance, aliens were employed in building, domestic service and warehousing. Surveys show that the main sectors where illegal immigrants are employed are fishing (and ancillary activities of cleaning and transporting fish), agriculture (both seasonal and out-of-season work), shipbuilding, dock work or the merchant navy, foundry work and heavy engineering, mining, freight transport, trade (especially as pedlars), hotels and catering (at the lowest skill levels), construction, and as caretakers and domestic servants.

Particular groups have been the subject of more thorough investigation. One of the largest, the Tunisians, has been studied by Kemaies Taamaillah (1981). Most come from small towns on the Tunisian coast. They are familiar with Italy before setting out because Italian television reaches them daily; nowadays many are qualified young people who come first as tourists, often to buy a marriage trousseau in one of the large cities, and to weigh their chances of finding work at the same time. The boom in Tunisian migration to Italy is undoubtedly connected with the cessation of emigration to more traditional receiving countries such as France and the Federal Republic of Germany. Taamaillah estimates that the number of Tunisian migrants has risen from around 5 000 in 1982 to 13 200 in 1980, of whom most are men (12 700). 80 per cent live in Sicily, where Tunisians have a long tradition of work in seasonal agriculture and fishing, and the rest are dispersed throughout the rest of the country. An approximate sectoral breakdown is provided in Table 3.

The other large national group are the Yugoslavs, who naturally concentrate in the frontier region beyond Trieste where employment opportunities are much greater than on the Yugoslavian side of the border. Migration is further encouraged by the age-structure in Trieste and Gorizia provinces, marked by a predominantly elderly population. There are, of course, strong trading and cultural links between the frontier regions, and a large community of Slovenes has long been established in Italy. On the other hand, a study by F. Neri revealed that a very high proportion of the Serbian workers come from two districts almost on the Rumanian border. Unlike the Tunisians, or indeed most other immigrants, the Yugoslav workers tend to bring in their wives and families after an initial period of acclimatisation, and ultimately many settle permanently.

Table 3

DISTRIBUTION OF TUNISIAN IMMIGRANTS BY ECONOMIC ACTIVITY, 1981

Economic activity	Number	Percentage
Fisheries and fishery products	5 000	47.6
Building and construction	24 000	22.9
Agriculture	15 000	14.3
Hotels and catering	750	7.1
Domestic service	250	2.4
Other employment (crafts, trade, engineering, etc.)	600	5.7
TOTAL	10 500	100

Source: Taamallah (1981).

A thorough survey on the qualitative aspects of illegal immigration was carried out in the Latium region by ECAP-CGIL and EMIM in 1980, which put the number of legal and illegal immigrants in Rome at between 73 500 and 79 300. It demonstrated that the demographic structure of the foreign community was like that of a migratory flow in its initial phase, in other words with a very high proportion of unmarried and young men, but also a large number of girls, mainly from the Philippines, Eritrea, the Cape Verde Islands and Ceylon. There were, however, practically no women among the foreign workers of North African origin.

The most interesting finding concerned immigrants' individual characteristics derived from about 100 personal interviews with immigrant workers from developing countries. The qualifications and industrial participation of immigrants cover a wide spectrum, from a high educational level and experience even in manufacturing industry (the case of the Filipinos and Egyptians) to an adequate education but with no work experience. Immigration patterns also vary a great deal: immigrants may arrive in the capital after migrating to other European or African countries; they may wish to leave Italy soon for another Western European country; they may hope to stay in Italy for a long time, especially if they come from very far away; or they may envisage going home as soon as possible. The uncertainty of migratory plans seems to endorse an initial flow which typically has no point of attachment or entrenched migratory tradition.

A survey carried out in Piedmont found that foreign workers are employed in the least skilled jobs in the tertiary sector (domestic service, drivers, gardeners, caretakers, pedlars, porters, cooks, dishwashers, etc.). At the same time, the number of foreigners is also rising in particularly exhausting jobs in certain industries such as foundries, which have been deserted by local manpower, not because of wage demands but as a result of the very unpleasant working conditions imposed in this industry.

It would appear from these studies that the illegal immigrants occupy the lowest and most precarious positions in the labour market. The sectors where they are employed are not necessarily the most depressed, since fishing, agriculture and tourism have always flourished in Italy, but the immigrants tend to be in the informal part of the economy where they are most disadvantaged. Italian workers enter the underground economy to supplement other income, whereas the illegal immigrants are wholly dependent on their jobs to earn a living and to stay in Italy. In addition, Italians in the informal labour market are usually covered by social security, either through other jobs or pensions or else through relatives, but the illegal immigrants have no such protection, with serious social consequences.

The social problem

No systematic research has been carried out on the living conditions of foreign workers in Italy and we must rely on the information obtained from one of the special surveys (such as the ECAP-CGIL and EMIM survey mentioned above) or supplied by immigrants and reported in the newspapers. It is evident, first, that the social problem concerns only illegal immigrants since legal foreign workers are not for the moment affected by any special problem of social integration. For illegal immigrants, on the other hand, social integration is non-existent, and structural conditions rule out any possibility of these workers' integration in Italian society.

Thus, illegal immigrants:

-- Have no housing of their own but must rely on sub-let rooms, if not beds, or else be housed at high rents in hostels or with their employers;

-- Usually arrive in Italy without their families, so that they then find it harder to make personal contact with the host society; they also tend to work long hours, which further segregates them from the rest of the population ;

-- Have no stable network of friends or a constant ethnic group to fall back on;

-- Can count on no guarantee regarding their period of employment, must quite often change jobs and even travel around Italy to find another job;

-- Not only have no social service, language teaching and vocational training structures but are obliged to hide and live in isolation from the native population in order to avoid the risk of expulsion;

-- Obviously cannot be paid social security benefits, so that an industrial accident or illness generally obliges them to return home without any compensation;

-- Are necessarily closely tied to their employer, which reduces their freedom and often means that they are exploited and made to work long hours;

-- Obviously, in these circumstances, have no bargaining power and their wage levels can therefore be arbitrarily changed at any time;

-- Cannot appeal to the civil protection bodies or the unions and are therefore easily exploitable at every level.

The first efforts to tackle the social problems of illegal immigrants were made by religious bodies or associations formed by members of the same ethnic groups. Action taken on behalf of immigrants includes: a meals service and hostel set up by the Roman charity Caritas, as well as close co-operation with a hospital in Rome to provide medical treatment; promotion by the Verga Foundation in Milan of reception, support, vocational training and language teaching activities for immigrants; the establishment by the trade union CISL of a support centre for foreign workers in Milan, which defends their union rights and provides vocational training and language teaching.

In spite of these initiatives, the immigrants are still completely segregated from the Italian population, which is largely oblivious to their problems. Italy prides itself on the general absence of xenophobia in the country, yet the host society has failed to respond to the new situation, which in turn makes social integration all the more difficult for the immigrants. Inevitably there are public misgivings about pressures on the country's social infrastructures, fears of social strains as a result of cultural differences, and anxieties about health matters (the spread of tropical and venereal diseases). Some blame administrative and political bodies for refusing to acknowledge that the immigrant population is as large as it is, and for failing to lead in informing and educating the rest of society. Positive moves have begun, however, such as the new legislation simplifying legal recruitment of foreigners and providing the same protection as for Italian workers, as well as some provision of language teaching facilities. Stiff penalties are to be introduced for employers who hire unauthorised labour. The trade unions, too, have been active in pressing for effective legislation to assist existing immigrants and to control future inflows through negotiation with sending countries.

III. CONCLUSIONS

Migratory movements have ceased to act as a safety-valve for the Italian economy: the traditional outflows have been drastically reduced (in spite of freedom of labour movement within the EEC and the attraction of well-paid, new opportunities for skilled and highly qualified workers), while at the same time unprecedented immigration (largely illegal) from developing countries has reached levels that can no longer be ignored. The arrival of these new migrants has added to the pressures on the domestic labour market, highlighting more fundamental problems such as the failure of certain sectors to modernise, the scale of the informal economy and the need for social welfare reorganisation. The inflow of these foreign workers is likely to continue because of deteriorating conditions in their own countries and the difficulties of gaining admittance to more traditional receiving countries; those already established in Italy provide the necessary links for further recruitment and hence a basis for new migratory chains. The poor living and working conditions of the illegal immigrants have become a cause for public concern, and the draft legislation currently under discussion represents an initial attempt to tackle the problems involved.

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ILLEGAL IMMIGRATION TO GREECE

Sotiris Soulis

I. INTRODUCTION

Since the early 1970s four new trends have been observable in the pattern of Greek migration: the long tradition of permanent migration is coming to an end and relatively few Greeks now leave for good; emigration flows have for some time been outweighed by returns (in 1983-84, for example, twice as many Greeks returned from the Federal Republic of Germany as emigrated); there is some short-term economic relocation, rather than real emigration, to Middle Eastern countries by Greek workers employed by Greek construction firms for specific contracts; and, there is an often illegal inflow of foreign workers to Greece. A rough estimate by major periods of post-World War II migration yields the following:

1945-1950 net emigration: 100 000
1951-1960 net emigration: 210 000
1961-1973 net emigration: 500 000
1974-1983 net immigration: 200 000

The two phenomena, Greek emigration and foreign immigration, are related to the classic economic phases of underdevelopment and development that Greece went through, part simultaneously, part successively, each time playing two opposite roles. Greece was, on the one hand, a country of the periphery supplying developed Western European countries with manpower, and on the other, became a host country for immigrants who were needed to fill the gaps created by the inequalities and malfunctions of the domestic labour market.

Foreign manpower first appeared in Greece in 1969-71, a period characterised by a short-lived resurgence in emigration, by domestic economic recovery and an investment boom. The development process, with its need for specialists, created the conditions for the legal entry of foreign labour, while at the same time (especially during this period) an illegal foreign workforce was attracted to unskilled jobs that were unacceptable to Greeks. This trend continued through the 1970s and stabilised after 1980, encouraged by such factors as the geopolitical position of Greece and the importance of tourism and the shipping industry in the economy, both sectors that provide a means of access to the labour market for illegal immigrants.

The scale of immigration is not known for certain. Official figures record about 40 000 legally resident foreign workers and about 15 000 illegal immigrants. According to an ILO study, there are roughly 40 000 illegal workers, while unofficial estimates range between 50 000 and 70 000. Since the total foreign element constitutes only between 2 and 3 per cent of the workforce, there is no great cause for concern. The problems have largely been highlighted by newspapers, and the presence of foreign workers has not elicited any strong public protest to date. The main trade unions have not yet taken a position on the matter, although the GSEE (General Federation of Workers of Greece) has declared itself in favour of full recognition of the rights of legally employed aliens and better control of the flow of immigrants. Unions have also taken action in some specific instances, such as the protest of textile workers against an increase in foreign workers in the spinning and weaving mills at Lavrion.

The Greek government is anxious to reduce illegal employment and to institute a more systematic control of foreigners. Current procedures for the legal admission of foreign workers -- who must normally offer some skill -- usually take less than six weeks, and include a labour market investigation to ensure that no Greek is suitable and available for the vacancy. Special legislation is designed to facilitate the recruitment of workers essential for development, while certain types of foreign-owned or financed firms can hire a proportion of foreign personnel without special permission. Employment of unskilled foreign labour is specifically excluded, except to accommodate seasonal needs as well as to fill essential jobs that are refused by Greeks because of the poor working conditions (e.g. in tourist enterprises between 1st May and 30th September every year, and in hospitals and livestock farms).

Penalties involving heavy fines and imprisonment have been introduced for employers who hire aliens without work permits or who continue to employ domestic servants after the expiry of a permit. Particularly stiff fines and prison sentences may be given to private employment agencies that specialise in finding jobs for aliens or illegal immigrants for Greek employers.

Table 1

FOREIGN POPULATION LEGALLY RESIDENT IN GREECE

Nationals of	1979	1980	1981
Europe			
Greece (a)	157 860	163 550	175 660
EEC	18 340	18 200	22 230
Other	7 660	7 820	9 650
Africa	23 780	21 700	26 780
North America	13 370	11 930	14 300
Other	10 660	10 600	11 240

a) Greeks who are permanent residents abroad returning to Greece for short periods.

Source: EUROSTAT.

Legal immigration

Europeans, North Americans and Australians make up over 60 per cent of legally employed foreigners, mostly highly qualified technicians and specialists working for large international companies. Africans, Asians and immigrants from the Middle East with work permits are employed in fishing, hospitals, livestock farms and as domestic servants. The main national groups among the non-Europeans are Egyptians (over 15 000, many of them skilled workers), Cypriots (2 500) and Filipinos (1 000) (Table 1). Over three-quarters of permits are for less than a year, and statistics on renewals suggest that native Greeks with foreign citizenship and EEC nationals encounter no problems, while the rest face severe restrictions and controls.

II. ILLEGAL IMMIGRATION

Characteristics of illegal immigration

Roughly half of these foreign workers are Europeans (or North Americans and Australians of European descent) who have found temporary employment in the service sector, mostly in jobs connected with tourism or else teaching foreign languages; a few work in agriculture on a seasonal basis. Many are young people who have left their own countries because of difficulties in finding employment, attracted to Greece by the Mediterranean climate and lifestyle. They enter on tourist visas and stay on when they find that they can support themselves, often accepting low wages since they are sometimes able to transfer their unemployment benefits. For employers, such workers permit considerable savings in wage costs because they do not demand Greek social security coverage; furthermore, their command of foreign lanugages is valuable for the tourist trade. The Federation of Hotel and Restaurant Employees estimates the illegal employment of foreigners in tourism to be over 15 000, and this figure is likely to grow as unemployment levels among young people in the industrialised countries of Northern Europe remain high and as free movement from other EEC countries becomes possible after Greece enters into full membership of the Community. Control of tourists is difficult and employers do not face stringent policing of recruitment of foreigners because the nature of the jobs makes this impossible, so that only large, well-organised firms go through the proper channels.

By and large, European immigrants do not present problems since they are accepted easily by the Greek population. If they have children, education is not difficult as schools can be found that teach in their languages, although there may be a certain degree of cultural isolation. Few are likely to stay permanently in Greece because their countries of origin -- whatever their immediate difficulties -- ultimately offer greater possibilities of employment and higher living standards.

The Africans and Asians initially also intend to stay for a short time, but often end up staying permanently because conditions in their own countries are dramatically worse than those in Greece. Many come to Greece as members of ships' crews, which allows or -- with the crisis in the shipping industry after 1980 -- forces them to disembark in Greek ports. It is believed that 12 000 alien seamen recently made redundant stayed on in Greece looking for work, not always successfully. They are prepared to take almost any kind of work and to live in the most miserable accommodations since they are used to harsher conditions, having mostly been employed in the lower ranks and in the worst ships.

The numbers of non-Europeans, too, will probably increase because conditions in their home countries are unlikely to improve in the near future. This group, however, poses considerable social problems as a result of cultural differences and their poor living and working conditions. Almost all are single and male (73 per cent of legal immigrants in 1982 were male, and the figure is doubtless much higher among the illegals), and in this they resemble traditional Greek emigrants.

Foreign workers tend to be found mainly in cities, especially Athens where manufacturing and services are concentrated, and in tourist centres such as Crete, Corfu and the Dodecanese.

Contributory factors

The illegal immigrants have been able to find work in Greece because of a mismatch between supply and demand in the domestic labour market. Low-skill jobs with poor working conditions are no longer able to attract the Greek working class, especially young people. Higher educational and living standards have created higher aspirations, and the structure of Greek families permits young people to delay entry into the labour market until they find jobs to match their expectations. There is a traditional dislike of jobs in manufacturing, and of unhealthy and dangerous working conditions. Many industrial enterprises are unhappy with the high turnover of Greek workers and prefer to hire a foreigner who will stay with the firm longer. The same problems occur in mining, and the Association of Mining Enterprises has repeatedly stressed the fact that the recruitment of Greeks into mining is insufficient and that foreign labour will have to be used in future. Moreover, the development of tourism and agriculture has raised the incomes of the rural population and curtailed the supply of unskilled labour to the large urban centres since alternative employment opportunities now exist in the rural areas. A demand for unskilled labour clearly exists, and it is most readily satisfied by illegal immigrants. As mentioned above, the importance of tourism and shipping makes access to the country relatively easy, while the existence of an informal economy facilitates access to the labour market. The issue of whether the resort to foreign manpower is really necessary is far from clearcut, but the phenomenon is not likely to disappear rapidly.

Problems and outlook

Although the numbers of illegal immigrants in Greece are still quite small, the problems that they pose are already apparent. The immigrants themselves, especially the Africans and Asians, face the difficulties of illegal immigrants everywhere: insecurity of employment, vulnerability in case of illness or accident because they are not covered by social security (even legal immigrants may be uninsured as a result of loopholes in the current legislation on the employment of temporary workers), bad housing in the most rundown neighbourhoods which accentuates their marginal position in society, and generally a high degree of social and cultural isolation. Greece has no tradition of immigrants and the population is unaccustomed to non-Europeans living in their country. There is little mixing with the Africans and Asians, and a lack of understanding of their cultural background, which favours the development of hostility and racism. There is as yet no problem with the second generation because most immigrants are single, but the lack of family life only adds to their isolation.

The presence of the foreign workers is perceived as encouraging the informal economy and as helping to keep down wage levels, to the ultimate detriment of both nationals and immigrants. There is some fear, too, that the employment of Greeks in the tourist sector could be adversely affected by the recruitment of foreigners.

The situation indicates the need for closer control of the informal economy, better inspection of working conditions, and a general improvement in the whole framework of employment by means of appropriate policies on wages and the introduction of new technologies so as to eliminate the conditions that lead to the employment of illegal aliens. Such an approach requires a complete rethinking of the organisation of work and the application of different social policies. It is unrealistic to suppose that the flow of immigrants, especially from the Third World, will diminish or that their recruitment can be banned without causing a reduction in national income and the standard of living, since Greeks cannot be forced to change their attitudes to unskilled and unpleasant work.

A solution to these problems must take into account the following considerations. A system should be devised by which illegally working aliens can be granted legal status. At the same time, both the National Federation of Labour and the Greek government should agree to establish that tougher criteria for the entry of new immigrants, a position confirmed by the voting of a recent law. The acceptance of the solution of legalisation should also be complemented with a package for the improvement of the status of alien workers, such as complete insurance and legal coverage, improvement of living conditions, and assistance in their cultural development so that they can approach the standard of living of the native population. Attention should also be paid to the educational needs of the second generation. Such a view, by taking into consideration the underlying causal factors of migration, would facilitate our efforts to approach the problem of foreign manpower in Greece in an integrated way.

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In the migration flows of the 1950s and 1960s, most OECD countries, on balance, fell into one of two groups: migrant sending countries and hosts. Migrants themselves were viewed either as permanent settlers or as temporary workers.

This report, based on the findings of a conference held by the OECD in 1986, examines the reasons these traditional distinctions are no longer so clear cut, and discusses the possible implications for migration policies.

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